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American Independent Cinema

An Introduction

Yannis Tzioumakis

AMERICAN INDEPENDENT CINEMA

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Yannis Tzioumakis

Edinburgh University Press

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For Sarah 'Saroula' Hopkins
for all the good years

INTRODUCTION

PROBLEMS OF DEFINITION AND THE DISCOURSE OF AMERICAN INDEPENDENT CINEMA

American independent cinema has always been a notoriously difficult concept to define. This is primarily because the label 'independent' has been widely used since the early years of American cinema by filmmakers, film critics, industry practitioners, trade publications, academics and cinema fans, to the extent that any attempt towards a definition is almost certainly destined to raise objections.

For the majority of people with a basic knowledge of American cinema, independent filmmaking consists of low-budget projects made by (mostly) young filmmakers with a strong personal vision away from the influence and pressures of the few major conglomerates that control tightly the American film industry. Far from the clutches of AOL Time Warner, Sony Columbia and Viacom Paramount, which are mainly in the business of producing expensive star vehicles and special-effects-driven films that bring larger profits from DVD sales and merchandising than from theatre admissions, independent filmmakers create films that stand against the crass commercialism of mainstream Hollywood while often pushing the envelope in terms of subject matter and its mode of representation. As film critic Emmanuel Levy put it, 'ideally, an indie is a fresh, low-budget movie with a gritty style and offbeat subject matter that express the filmmaker's personal vision.'[1]

This 'ideal' definition immediately brings to mind films such as *Return of the Secaucus Seven* (Sayles, 1980), *Stranger than Paradise* (Jarmusch, 1984), *She's Gotta Have It* (Spike Lee, 1986), *Poison* (Haynes, 1991), *Straight Out of*

Brooklyn (Rich, 1992), *Clerks* (Kevin Smith, 1994), *Welcome to the Dollhouse* (Solondz, 1996), *The Blair Witch Project* (Sanchez and Myrick, 1999) and many other films that emerged post-1980 as low-budget 'alternatives' to the considerably more polished, expensive and conservative films produced and distributed by the major conglomerates. Despite its popularity in public discourse, however, this is only one definition of independent film and, significantly, fails to demonstrate what all the above films are independent from while also excluding other groups of films that could also lay claim to the label independent.

For industry practitioners and trade publications like *Variety* and *Screen International* independent film can assume a completely different meaning. For instance, on 9 June 2003 a *Variety* article featured a quote by Graham King, head of Initial Entertainment Group, about the production/distribution company's new project, *The Aviator* (Scorsese, 2004), a $115 million Howard Hughes biopic starring Leonardo DiCaprio. The quote read: 'It's the biggest independent movie ever made, unless you count *Lord of the Rings*.'[2] A little more than a year earlier (8 February 2002), *Screen International* had published a table with the 'Top 20 Independent Movies of All Time' (in the US market). Leading the table while still in release was *The Lord of the Rings: The Fellowship of the Ring* (Jackson, 2002), while other films included: *Rush Hour* and *Rush Hour 2* (Ratner, 1998 and 2001); *Austin Powers: The Spy Who Shagged Me* (Roach, 1999); *Teenage Mutant Ninja Turtles* (Barron, 1990); *Spy Kids* (Rodriguez, 2001), *Scary Movie* (K. I. Wayans, 2000); *Dumb and Dumber* (P. Farelly, 1994); *Good Will Hunting* (Van Sant, 1997); and *The Blair Witch Project* (Sanchez and Myrick, 1999).[3]

With the exception of the ultra-low-budget novelty horror *The Blair Witch Project*, none of the other films included in the *Screen International* table would be considered independent in the 'ideal' sense of the term. For the trade publication, however, independence has nothing to do with low-budget films with gritty visual style and offbeat subject matter. Instead, an independent film is any film that has not been financed, produced and/or distributed by a major entertainment conglomerate (Sony Columbia, Viacom Paramount, AOL Time Warner, MGM/UA, ABC Disney, NBC Universal, News Corp. Fox and Dreamworks SKG).[4] Indeed, from the twenty films that appear on the list, nine were distributed by New Line Cinema, eight by Miramax (and its sister company, Dimension Films), while from the remaining three Sony Pictures Classics, Artisan and USA

Films distributed one film each. As *Lord of the Rings* was financed and distributed by New Line Cinema and despite its $300 million price tag (for all three instalments) it can justifiably be considered an independent film, the most commercially successful one, for that matter. Equally, as IEG was the primary financer and worldwide distributor of *The Aviator* (with the exception of the United States where Miramax held the theatrical distribution rights), the $115 million film can also be considered an independent film.

However, even this definition of independent film (a picture financed, produced and/or distributed by any company apart from the eight majors) is problematic. This is because New Line Cinema, Miramax/ Dimension and Sony Picture Classics are subsidiaries of AOL Time Warner, ABC Disney and Sony Columbia respectively and, therefore, not independent distributors. They might be operating with a large degree of autonomy from their respective parent companies but they are financially accountable to them. This means that their parent companies have the power to close these units, sell them, reorganise their management structures, decrease their production/distribution/acquisition budgets, interfere in their decision-making policies and so on. This leaves only Artisan and USA Films as independent companies, neither of which has existed as a corporate entity since 2004. USA Films participated in a series of mergers in 2002 that created Focus Features, a distribution company that is owned by NBC Universal. Artisan, on the other hand, was taken over by Lions Gate, which is currently one of the very few successful production-distribution companies that does not have a corporate relationship with a major; in other words, an independent.

Even if one is prepared to see beyond the problems that ownership of companies like Miramax and Sony Pictures Classics by a major presents and perceive of them as distributors of independent films – after all Miramax in particular has been associated heavily with independent films in the minds of cinema-goers – film critics and industry analysts have been reluctant to attach the label independent to them, especially to Miramax. Having made a name by releasing successfully a number of 'ideal' or paradigmatic independent films such as *sex, lies, and videotape* (Soderbergh, 1989), *Reservoir Dogs* (Tarantino, 1992), *Clerks* and *Dead Man* (Jarmusch, 1995), in recent years Miramax has shifted increasingly towards the finance and distribution of considerably more expensive, star-studded genre pictures including *Gangs of New York* (Scorsese, 2002),

Captain Corelli's Mandolin (Madden, 2001) and *The Aviator*. This shift has resulted in an identity crisis that can be seen clearly in the words chosen to describe the company.

For instance, a *Variety* editorial of 11 November 2002 labelled Miramax a 'mini major'.[5] Five months later (7 April 2003), the same publication proclaimed that 'Miramax ha[d] evolved to the point that it resemble[d] a major'.[6] On 8 March 2004, Miramax, New Line Cinema and United Artists were described by *Variety* as 'semi indies',[7] while on 14 July of the same year another *Variety* article christened Miramax 'a production driven quasi studio with franchises, mega-grossing hits and mega-budget offerings'.[8]

Film academics, on the other hand, have labelled Miramax and New Line 'major independents'. According to Justin Wyatt, this label captures the hybridity of the companies in terms of structure and position in the market and distinguishes them from both the major conglomerates and the independent companies.[9] If nothing else, the words 'mini major', 'major', 'semi indie', 'quasi studio' and 'major independent' demonstrate that Miramax cannot be labelled an independent company, at least not since it became a Disney division. As a similar argument can be advanced about New Line Cinema, one could suggest that seventeen of the twenty most commercially successful American independent films are not actually independent.

A different approach to what constitutes independent film can reveal a whole new set of potential candidates. A large number of widely regarded mainstream filmmakers and industry practitioners have established their own independent production companies which physically produce (and often finance) pictures. Examples of such companies by filmmakers include LucasFilms (George Lucas), Amblin Entertainment (Steven Spielberg) and Lightstorm Entertainment (James Cameron), while well-known independent companies by industry practitioners include Revolution Studios (Joe Roth) and Phoenix Pictures (Mike Medavoy). Films by these companies are distributed by the majors, some of which have exclusive distribution deals with individual production companies (Revolution with Universal; Phoenix with Sony until 2001) while others operate independently and approach the major distributors once finance is in place (Phoenix Pictures after 2001). This would mean that such definitive Hollywood films as Spielberg's *Minority Report* (2002) and *War of the Worlds* (2005); Lucas' six instalments of the *Star Wars* saga (1977–2005); Revolution's *xXx*

(R. Cohen, 2002) and *Hollywood Homicide* (Shelton, 2003); Phoenix's *The 6th Day* (Spottiswoode, 2000) and *Stealth* (R. Cohen, 2005); and Cameron's *The Abyss* (1989), *True Lies* (1993) and *Titanic* (1997) can all be considered independent productions.

Although it is tempting to dismiss these films as independent productions on the basis that such a status has been conferred on a legal technicality (Cameron's Lightstorm Entertainment might have physically produced the $200 million *Titanic*, though Fox and Paramount shared the costs of the budget and therefore were really 'in charge' of the production), other cases point to the contrary. If it is difficult to perceive of *Titanic* as an independent film, it is equally difficult to think of the three recent *Star Wars* films (*The Phantom Menace*, *Attack of the Clones* and *The Revenge of the Sith* [Lucas, 1999, 2002 and 2005]) as such. All three films were produced by LucasFilms for Fox and, like *Titanic*, they carried a very expensive production cost. Unlike *Titanic*, however, the distributor did not provide in this case the finance. It was LucasFilms that funded as well as produced the three films, which makes them clearly independent productions while, according to *Variety*, the filmmaker has enjoyed an autonomy that 'is unique in the history of the entertainment industry'.[10] Equally, a number of Amblin films are partly financed by Dreamworks SKG, a major distribution company Steven Spielberg co-owns with David Goeffen and Jeffrey Katzenberg. Owning both a production and a distribution company has allowed Spielberg freedom to pursue less commercial projects such as *Amistad* (1997) and *A.I.* (2001) while still making franchise pictures for other majors such as the *Jurassic Park* sequel for Universal.

If, despite this evidence, one is still tempted to disqualify Spielberg and Lucas as independent filmmakers because of their association with the majors, should this not be the case for all filmmakers whose work is financed or distributed by the majors? Take, for instance, Spike Lee and Wes Anderson, two filmmakers who are much easier to label independent as throughout the years they have produced a number of low-budget, offbeat films permeated by a strong personal vision. Lee, in particular, is often credited with putting black American independent cinema on the map through a series of challenging films that dealt with questions of race from the mid-1980s onwards. What is interesting, however, is that after his breakthrough feature *She's Gotta Have It* (produced by Lee's 40 Acres and a Mule Filmworks and distributed by the short-lived independent Island

Pictures) in 1986, the next seven films Lee wrote and directed were financed and/or distributed by the majors (*School Daze* [1988] by Columbia; *Do the Right Thing* [1989], *Mo' Better Blues* [1990], *Jungle Fever* [1991] and *Clockers* [1995] by Universal; *Malcolm X* [1992] by Warner; and *Crooklyn* [1994] by Paramount). More recently, Lee's films have been financed and distributed by various companies including Buena Vista, Disney's distribution arm, which released *Summer of Sam* (1999) and *The 25th Hour* (2002).

Disney is also responsible for financing and distributing the films of Wes Anderson, one of the most original voices in contemporary American cinema. Since his debut feature *Bottle Rocket* (1996), a Columbia Pictures-financed remake of a thirteen-minute short that Anderson had produced in 1994 under the same title, the filmmaker has established himself with such famous 'indie' pictures as *Rushmore* (1998), *The Royal Tennenbaums* (2001) and *Life Aquatic with Steve Zissou* (2004). Even though all three were produced by Wes Anderson and Owen Wilson's production company, American Empirical Films, they were nevertheless co-financed and distributed by Buena Vista. Still, despite the obvious similarities with the finance, production and distribution of *Titanic*, the films by Anderson and Lee are more easily perceived of as independent, while Cameron's film epitomises mainstream Hollywood at its most excessive.

The above examples demonstrate clearly the significant problems involved in any attempt towards a definition of the term independent in contemporary American cinema that privileges an industrial-economic perspective. If, as Jim Hillier has remarked, 'historically, 'independent' has always implied work different from the dominant or mainstream, whether this relationship is defined primarily in economic terms (production and distribution) or in aesthetic or stylistic terms', these distinctions are not clear cut in the current state of American cinema, certainly not in terms of economics.[11] Independent production companies like IEG are in a position to finance films budgeted in excess of $100 million away from the majors. Independent distributors like the Independent Film Channel Films (IFC Films) score $241.4 million in the US box office with a $5 million production like *My Big Fat Greek Wedding* (J. Zwick, 2002), more than blockbusters such as *Jurassic Park: The Lost World* (Spielberg, 1997) and *The Matrix* (A. Wachowski and L. Wachowski, 1999). Major independents like New Line Cinema produce and distribute *The Lord of the Rings*, a franchise that has brought approximately $1 billion net profit,

while the third instalment of the trilogy (*The Return of the King* [2004]) has outgrossed any film produced and or/distributed by the 'mainstream' sister label Warner.[12] Under the umbrella of the same conglomerate, Time Warner, there is also Warner Independent (for some critics a contradiction in terms) which finances and distributes low-budget, 'personal, taboo-breaking and experimental films'.[13] New Line Cinema has also created a subsidiary, Fine Line Features, which produces and/or distributes low-budget, edgier films that are too specialised for the more 'mainstream' major independent parent company.

If the distinctions in terms of economics are murky and the boundaries between independent and major companies forever blurred, an approach that sees independent filmmaking as different from mainstream in terms of aesthetics or use of film style produces equally, if not more, problematic results. With mainstream American cinema generally exemplified by what some critics have called a 'classical aesthetic', one would expect that independent films depart from some or all conventions associated with classical narrative and film style.[14] In terms of narrative such conventions include: cause-effect logic; goal-oriented, psychologically motivated characters; an equilibrium-disequilibrium-new equilibrium structure; the transformation of the main characters by the end of the story; the formation of the heterosexual couple (or, alternatively, of the family unit); and narrative closure. In terms of visual style, one would expect a break of the rules of continuity editing (180-degree rule, eyeline match, point of view cutting, match on action cut, and so on), which ensure that the spatial, temporal and causal relationships between characters in the film are clear at all times and that the spectator is always aware of his or her position in relation to the narrative. Continuity editing produces an unobtrusive or 'transparent' film style that is always at the service of the narrative and does not attract attention to itself. In other words, it allows the spectator to attend to 'the story being told and not to the manner of its telling'.[15]

With mainstream Hollywood cinema bound by so many conventions, independent films can depart from the dominant and the established in a large number of ways. *Pulp Fiction* (Tarantino, 1994; produced by A Band Apart and financed and distributed by Miramax), for instance, follows the rules of continuity editing within individual sequences. However, its move back and forth in time from scene to scene without explicit markers of flashback or flashforward (blurred images, intensification of music, framing of a character in a close up to suggest that he or she is

remembering or imagining something, and so on) disorients the spectator. *Memento* (Nolan, 2000; produced by I Remember Productions, Newmarket Capital Group, Summit Entertainment and Team Todd and distributed by the independent Newmarket) is edited in such a way that half its scenes (the ones in colour) unfold in reverse chronological order and are intercut with the other half (the ones in black and white), which move forward in time. Only towards the end of the film when the last black and white scene 'meets' the last (chronologically first) colour scene is the spectator able to understand that all scenes in black and white take place before the scenes in colour and that this is a relatively linear narrative that has become complicated through editing. In the end, however, this assumption is thwarted as the film confounds audience expectations towards a satisfactory narrative closure as there are shots whose place in the narrative is not clear (for instance Leonard in bed with his wife and the words 'I did it' tattooed on his chest).

Other films break dominant conventions more forcefully. Harmony Korine's films (*Gummo* [1997; produced by Independent Pictures and distributed by Fine Line Features] and *Julien Donkey-Boy* [1999; produced and distributed by Independent Features]) can be more easily described as a loosely structured assemblage of scenes than anything close to a classical narrative. In David Mamet's films (especially *House of Games* [1987; produced by Filmhaus Productions and distributed by Orion Pictures], *Homicide* [1991; produced by Cinehaus and distributed by Triumph Releasing] and *Oleanna* [1994; produced by Bay Kinescope and distributed by the Samuel Goldwyn Company]) the specific logic of his scripts determines the use of film style. This means that if the script calls for unclear psychological motivations on the part of the characters, for gaps in the narrative that cannot be explained, for interruptions in the cause-effect logic of the shots and scenes and even for a lack of realism in the unfolding of the story, then the film's style would not attempt to 'cover these problems' as a mainstream film might try to do. Furthermore Mamet's actors deliver their lines in such a non-emotive manner that the convention of the illusion of the character – upon which mainstream acting has been founded – is clearly shattered. Although in many ways structured in a classical manner, Kevin Smith's *Jay and Silent Bob Strike Back* (2001; produced by View Askew Productions and distributed by Miramax) contains so many references to Smith's previous films that lack of prior knowledge of the films can render *Jay and Silent Bob Strike Back* incomprehensible.

In Todd Solondz's *Palindromes* (2004; produced by Extra Large Pictures and distributed by Wellspring Media), seven actors of a different age, race and body shape play the same character, with only the costume they are wearing providing continuity from scene to scene.

The above examples demonstrate clearly the extent to which independent films can depart from the conventions that characterise mainstream filmmaking. On the other hand, however, it is also clear that several aspects of the classical narrative and style remain in place. This means that in terms of aesthetics, independent films retain a certain grounding on mainstream traditions, the extent of which varies from film to film. Especially in terms of narrative, as Geoff King has argued, 'it is rarely if ever the case that [it] is entirely absent in the more commercial/industrial independent sector.'[16]

Even though this argument seems to differentiate a very large category of films from the more mainstream fare (which would include the expensive blockbuster films made by the majors), pointing perhaps towards a less controversial definition of American independent cinema, it nevertheless presents one major problem. It is not unusual for a mainstream film, especially an effects-driven action/adventure blockbuster to also depart from the classical conventions. Stylistic and narrative patterns often associated with the blockbuster film include: loose narrative structure; narrative as a showcase for special effects; increasing emphasis on spectacle; characters as plot functions; and genre hybridity. For many film critics, the blockbuster film has gradually become an expression, or even a celebration, of a conglomerated entertainment industry, which attempts to entice a very large, increasingly young, audience to a specific kind of entertainment that can be reiterated ad-infinitum through the multiple distribution channels that the same industry controls.[17] For this reason, certain pillars of the classical aesthetic, such as cause and effect narrative logic, psychological character motivation and clear-cut generic frameworks have been replaced by elements of a new aesthetic that increasingly foregrounds narrative fragments rather than narrative structure in order to encourage spin-offs and tie-ins in various ancillary markets. This aesthetic has been labelled by some critics as post-classicism and, as in the case of independent cinema, it is characterised by both departures from and continuities with classical cinema.

The term post-classicism has been employed also in critical discussions of 'the high-concept film', certainly a type of film associated with

mainstream cinema. According to Justin Wyatt, the constituent elements of the high-concept film can be found in the construction of narratives as vehicles for advertising to the extent that advertising and narrative have gradually become increasingly integrated, thereby changing the look and the sound of the film. Despite 'important aesthetic ties' with classical cinema, the considerably tighter relationship between economics and aesthetics of the high-concept film creates a style of filmmaking that differs considerably from the classical one.[18] And as with independent cinema, the extent of the breaking of the classical conventions varies from film to film.

As this stylistically determined approach to defining American independent cinema is also plagued with problems, one wonders whether it is, indeed, possible to come up with a definition. Furthermore, to this point I have been referring to examples of films that could be construed as independent strictly from the post-1980 period, which has attracted considerable critical attention in recent years.[19] Commercial independent filmaking in the United States, however, is as old as mainstream Hollywood, which for many film historians extends back to the second decade of the twentieth century. This means that, historically, independent cinema has assumed a large variety of forms and functions some of which differ considerably from others. For instance, during the studio years (mid-1920s–late 1940s) the label independent could be attached to prestige-level pictures made by producers such as Samuel Goldwyn, Walt Disney and David O. Selznick who used United Artists (and later other companies) to release films they made through their respective production companies. Among these independent films one could find *Gone with the Wind* (Fleming, 1939), a film widely considered the epitome of mainstream Hollywood under the studio system, which nevertheless was produced by Selznick through his Selznick International Pictures. The label independent, however, could be also attached to low-budget pictures (such as the singing-cowboy western *Tumbling Tumbleweeds* [Kane, 1935]) produced and distributed by Poverty Row studios such as Monogram and Republic Pictures and destined for the low part of double bills in the 1930s and 1940s. It could also be attached to ultra-low-budget films that targeted the various ethnic populations in America, which were produced, distributed and exhibited mainly outside the California-based film industry.

To account for all these different forms and expressions of independent filmmaking during the last hundred years, this study has approached

American independent cinema as a discourse that expands and contracts when socially authorised institutions (filmmakers, industry practitioners, trade publications, academics, film critics, and so on) contribute towards its definition at different periods in the history of American cinema. The concept of discourse is well suited to sidestep some of the problems involved in defining independent filmmaking. According to Michel Foucault, discourses 'bring cultural objects into being by naming them, defining them [and] delimiting their field of operation'.[20] By creating objects of knowledge such as American independent cinema (and mainstream cinema for that matter), various institutional forces such as academia, the trade press, filmmakers and industry practitioners highlight specific practices and procedures associated with filmmaking upon which individual definitions are founded. These practices 'realise and set the conditions for discourse, while discourse, reciprocally, feeds back utterances which facilitate practice'.[21]

A good illustration of the usefulness of this approach is provided by the case of Disney. One obvious practice that has consistently characterised the discourse of American independent cinema from the mid-1920s has been the production of films through production companies other than the major studios. One of the most successful such companies was Disney, which managed to curve a niche market with its animated films. In recent years, however, Disney has become one of the largest entertainment conglomerates and an undisputed member of the major powers in American cinema. The practices associated with the 'rise' of Disney from a relatively small independent production company to a major conglomerate (the establishment of a distribution apparatus, diversification in ancillary markets, its merger with giant television network ABC, its emphasis on tent pole films with potential for stratospheric profits, its distribution contracts with other production companies like Pixar which provide it with product) influenced the 'Disney discourse' to such an extent that it ceased to be part of the discourse of American independent cinema. Equally, following developments in the American film industry (including Disney's transformation to a conglomerate), the discourse of American independent cinema was shaped accordingly to exclude Disney from its remit.

The concept of discourse is also well suited for approaching American independent cinema because it involves questions of power. As discourses are produced and legitimated by socially authorised groups, it is

obvious that there are parties who stand to gain through their association with American independent cinema (and through the exclusion of other parties or groups). Not surprisingly, numerous sub-groups within the above institutions have appropriated the term independent in order to achieve particular objectives as well as define the field. Nowhere is this more evident than in the manner in which sub-groups of filmmakers and industry practitioners have used the label to include themselves and exclude others. For instance even as early as 1909, a number of filmmakers who opposed the tactics of the Motion Picture Patents Company created a distinct identity for themselves by choosing to be called independent. In the studio times, top-rank producers like Howard Hughes, David O. Selznick and Charles Chaplin used the concept of independence to differentiate their own productions (such as *Hell's Angels* [1930], *Gone with the Wind* and *The Great Dictator* [1941], respectively) from the routine films associated with the Hollywood studios, often referred to as sausage factories. In the late 1950s and early 1960s, a group of experimental filmmakers on the East Coast dismissed all Hollywood-based filmmakers (including those with their own production companies) as cogs in an institutionalised film industry claiming instead the label for themselves and their own ultra-low-budget and technically unpolished personal projects.

Finally, it is certainly because of its association with questions of power relations between contending groups that the discourse of American independent cinema became so pervasive and prominent in the post-1980 period. With the major entertainment conglomerates tightening their grip on everything related to American cinema and with Reaganite entertainment defining mainstream cinema and reigning supreme at the box office, it became a cause for celebration when films that were financed, produced and distributed outside the majors met with (relatively) wide commercial success. This was particularly the case when the films also dealt with important social issues that were absent in the majors' productions or when their filmmakers employed challenging visual styles and/or narrative structures that were markedly different from the formal contours of the dominant aesthetic regime.

As the label independent was also attached to productions such as *Heartland* (Pierce and A. Smith, 1979), *Return of the Secaucus Seven*, *Smithereens* (Seidelman, 1982) and *Stranger than Paradise* and to a large number of films that were characterised by one or more of the above

defining features in the following years, it acquired additional meanings. Besides signifying one or more of the above-cited characteristics, independence also connoted a particular brand of quality that was perceived as absent from the considerably more refined (and expensive) but impersonal mainstream Hollywood productions. In other words, independence in American cinema had become associated with intelligent, meaningful, often challenging but always full of spirit filmmaking, while production by the majors was associated with conservative, conventional, formulaic and spiritually empty efforts at entertaining an increasingly young audience.

With the label independent acquiring such distinct meanings, it was not long before small-scale distributors started using it as a marketing category. Especially during the early 1990s, a low-budget film's independent status could prove its only chance to attract a sizable audience and return a profit to the producer and distributor involved. This was clearly understood by the majors, which managed to appropriate the term and use it for their own financial gain for the rest of the 1990s. Sponsoring their own brand of low-budget 'independent' filmmaking, the majors secured their presence in one more film market, while also putting a significant dent in the profit margins of independent companies. The majors' appropriation of the label for a large number of low-budget films that originated under their corporate umbrellas once again demonstrates the power struggle involved in the usage of 'independence' and in effect justifies an approach to American independent cinema as a discourse.

Although power relations are certainly important to the present study, the main emphasis is placed on industrial and economic factors and how those shaped the discourse of American independent cinema at various historical trajectories. This means that this study privileges an examination of the production of the discourse from one particular perspective, the industrial-economic one, though it resorts to numerous socially authorised institutions to achieve this objective. It draws on: the work of historians of American cinema (where questions of independence are dealt usually in a surprisingly brief fashion); interviews with industry practitioners; legal documentation about independent production companies from archival collections; and trade publications. The study also contains a number of case studies. These include discussions of individual pictures as examples of independent filmmaking from specific periods in the history of American cinema. This book provides the reader not only with

a history on the subject, but also with a concrete framework within which individual films can be discussed as independent.

Notes

1. Levy, 1999, p. 2.
2. Synder, Gabriel (2003), ' "Aviator" Ready For Take-Off: Scorsese, DiCaprio Reteam for Pricey Hughes Biopic', in *Variety*, 9 June 2003, p. 9.
3. Goodridge, Mike (2002), 'Top 20 Independent Movies of All Time', in *Screen International*, no 1343, 8 February 2002, p. 33.
4. At the time of writing MGM/UA was taken over by Sony, while Dreamworks is in the process of being taken over by Viacom. Despite the change in their corporate status these companies will continue to be referred to as majors in this study.
5. Oppelaar, Justin (2002), 'Pangs of New York: Harvey Beefs Up, Slims Down', in *Variety*, 11 November 2002, pp. 1 and 62.
6. Harris, Dana (2003), 'H'wood Renews Niche Pitch: Studios Add Fresh Spin as They Rev Up "Art" Divisions', in *Variety*, 7 April 2003, pp. 1 and 54.
7. Brodesser, Claude (2004), 'Niche Pics Stole Summer Heat', in *Variety*, 8 March 2004, p. 53.
8. Rooney, David (2004), 'The Brothers Grim: Weinsteins Bridle at Disney Dictates', in *Variety*, 14 June 2004, pp. 1 and 57.
9. Wyatt, 1998a, pp. 86–7.
10. Cohen, David S. (2005), 'Is the Force Still with Him?', in *Variety*, 14 February 2005, pp. 1, 58–9.
11. Hillier, 2001, p. ix.
12. Oppelaar, Justin (2003), 'New Line's Billion-Dollar Bet', in *Variety*, 20 January 2003, p. 11.
13. See http://wip.warnerbros.com.
14. The key study on Hollywood cinema as a 'classical' art is Bordwell, Staiger and Thompson's *Classical Hollywood Cinema: Film Style and Mode of Production to 1960* (1985). Although the study examines American cinema prior to 1960, in the penultimate chapter of the book the authors argue that the classical mode of film practice has persisted post-1960 (pp. 367–77). Equally Kristin Thompson's *Storytelling in the New Hollywood: Understanding Classical Narrative Technique* (1999) extends this argument to American cinema of the 1980s and 1990s.
15. Allen and Gomery, 1985, p. 81.
16. King, 2005, p. 60.
17. Schatz, 1993, pp. 23 and 33.
18. Wyatt, 1994, pp. 18. Examples of high-concept films include *Flashdance* (Lyne, 1983), *Footloose* (Ross, 1984) and *Top Gun* (Tony Scott, 1986).
19. Book-length studies that focus strictly or mainly on American independent cinema in the post-1980 period include: Rosen and Hamilton, 1990; Lyons,

1994; Pierson, 1995; Andrew, 1998; Levy, 1999; Biskind, 2005; and King, 2005. Two edited collections also focus mainly on the post-1980 period, Hillier (ed.), 2001; and Holmlund and Wyatt (eds), 2005. There is one study that focuses on independent filmmaking during the studio times (mid-1920s–late 1940s), Aberdeen, 2000. Finally, to this date there has been only one study that examines independent filmmaking from the early years of the twentieth century to our times, Merritt, 2000.

20. Stam et al., 1992, p. 211.
21. Stam et al., 1992, p. 211.

Part I

AMERICAN INDEPENDENT CINEMA IN THE STUDIO YEARS (MID-1920s–LATE 1940s)

1

INDEPENDENT FILMMAKING IN THE STUDIO ERA: TENDENCIES WITHIN THE STUDIO SYSTEM

> The independent producer is a man who is dependent on the exhibitors, the studios and the banks.
>
> Walter Wanger, independent producer[1]

INTRODUCTION

During the studio era the American film industry was dominated by eight companies, the Big Five (Paramount, Loew's [MGM], 20th Century-Fox, Warner Bros and RKO) and the Little Three (Columbia, Universal and United Artists). The Big Five were vertically integrated companies: they produced their films at self-owned studios; they developed a network of offices in the United States and around the world to market their films and deliver them to the theatres; and they owned a relatively small number of theatres in the United States and in key European countries where they exhibited their own (as well as each other's) films. The Little Three were organised in the same way as the Big Five but were not integrated on the same level: Columbia and Universal produced and distributed their own films but did not own any theatres, while United Artists was mainly a distribution company even though, for a time, it owned a small number of theatres in certain key markets. According to Douglas Gomery, the eight studios produced about three-quarters of all features made, while this product was responsible for about 90 per cent of the box office takings.[2] This suggests that roughly one-quarter of all films were made and distributed outside the eight studios, while 10 per cent of all dollars spent on cinema-going were for films made and distributed by non-studio outfits.

This picture of the studio era, however, is not characteristic of the entire mid-1910s–late 1940s period that is widely known as the studio years. Although many production and business practices were adopted at the beginning of this period and remained in place throughout the years, the structure of the industry became clear in the late 1920s. For instance, RKO, the last member of the Big Five, was not established until October 1928, almost fourteen years after Fox Film Corporation became one of the earliest examples of a vertically integrated film company. Indeed by 1925, the structure of the industry was very different. Instead of the Big Five and the Little Three, there were three major, vertically integrated companies (Paramount, Loew's and First National – with the Fox Film Corporation slightly trailing them), while Warner, Columbia, Universal and United Artists were far more marginal compared to what they would become later. In this respect, even though the same few companies (with the exception of First National) would dominate the industry in the 1930s and 1940s, the balance of power in the American film industry did not remain unchanged since the formation of Fox Film Corporation in 1914, and the relationship between major and minor studios transformed. In actual fact, almost all of the above companies had been associated with forms of independent film production and distribution before they became the masters of the American film industry in the late 1920s. Once in a position of power and control, they actively tried to suppress new independent production and distribution.

This raises two important issues. Firstly, one cannot talk about independent filmmaking in the studio era until the structure of the film industry became clear, until the five major and three minor studios became the forces which independent producers sought to avoid being 'depended on'. Secondly, and as an extension of the first issue, independent production has a 'pre-history' that involves earlier incarnations of the major studios, which dates back to the first decade of the twentieth century, before any of the studios assumed their producer-distributor-exhibitor guise. What links the two periods is the concept of independent production as a form of resistance to any attempts towards monopolisation of the American film industry. During the early years of US cinema, independent film production and distribution became banners under which a number of companies actively sought to prevent the formation of trusts and syndicates that would threaten competition in the newly established film industry. During the studio years, independent film produc-

tion fought the system of oligopoly, while rejecting key features of the studio-based system of production.

THE FIRST INDEPENDENTS

The discourse of independent cinema appears perhaps for the first time in 1908–9 with the formation of the Motion Picture Patents Company (MPPC, also known as the Patents Company or simply the Trust) and its antagonists, which became known as independents. The company was established on 1 January 1909 by ten film manufacturing outfits – led by Edison and Biograph – in an attempt to licence all three branches of film-making (production, distribution and exhibition) in the United States and, thereby, control the American film market.[3] By that time, the motion picture business was driven by the exponential growth of nickelodeons, the number of which had increased from 2,500 in 1906 to 8,000 in 1908.[4] The MPPC sought to become the main holder of various patents associated with cinematographic technology and put an end to long legal battles about who had the right to use the said technology, at least in the United States. By controlling the patents involved in the manufacturing of cameras, projectors and other necessary equipment for the production and exhibition of motion pictures, the MPPC proceeded in charging a fee for the use of this equipment. It also made a deal with Kodak to provide raw film stock exclusively to members and its licencees, and, as a result, made it impossible for other companies to successfully photograph, develop, print or exhibit a film without its consent.[5]

In April 1910, the MPPC created the General Film Company (GFP) in order to control film distribution and control the market further. The GFP gradually took over all but one licensed exchange whose function was to ensure the smooth delivery of films from producers to distributors. The exception was an exchange in New York run by William Fox. Under the new status, production companies agreed to be paid a flat rate of 10 cents per foot of film by GFP in exchange for distribution rights. For the Patents Company, film was seen as a 'standardised, undifferentiated product' which was one reel long (roughly fourteen to fifteen minutes in duration) and was sold by the foot. There was no concern for the content or the quality of the product.[6]

The Trust's efforts to monopolise the American film industry, however, did not remain unchallenged. Between fifty and one hundred companies,

which were not considered by MPPC standards significant forces in the embryonic film industry, were excluded from membership of the Patents Company and had to pay weekly fees for the right to use their licensed equipment.[7] Also, the General Film Company was not successful in absorbing the Greater New York Film Exchange owned by William Fox, as we saw earlier. Resistance began only one month after the formation of MPPC, in February 1909. These 'rebels' refused to respond to an initial deadline to abide by MPPC regulations, and decided to continue business through any means. They used illegal equipment, imported film stock from abroad or relocated their companies to certain geographical areas where the Trust's representatives would find it difficult to reach them and therefore bring legal action against them. By 20 February 1909 an exchange appropriately called The Anti-Trust Film Company of Chicago was already established. These 'unlicensed outlaws' attached the label *independent* to their practices and, to a certain extent, became responsible for the failure of the Patents Company to monopolise the market.[8] Within six months from the establishment of MPPC, independent companies were more than a few isolated presences in the American market. They were part of an *independent movement* which directly opposed the plans of the Trust to dominate the market.

While the Patents Company was establishing the GFC to control film distribution (April 1910), a number of independent producers were in the process of forming their own apparatus to handle distribution for independent product, the Motion Pictures Distributing and Sales Company (MPDSC or the Sales Company). Representing the most important independents, including Carl Laemmle, future head of Universal, the Sales Company quickly became the General Film Company's main rival. Within eight months from its inception, the Sales Company was in a position to claim that 'in the year 1910 [they] succeeded in splitting the business of the country between the trust and [them]selves on a 50 percent basis'.[9]

In its attempt to organise the independent sector, however, the Sales Company found itself following several of the trade practices established by or associated with the Trust, rather than developing practices of its own.[10] Faced with the danger of having to substitute one form of dependence for another, several independent producers, who habitually had been hostile and antagonistic to each other, withdrew from the Sales Company and went on to form new distribution apparatuses. These included the National Film Manufacturing and Leasing, the Film Supply Company (which grew into the Mutual Film Company, one of the key distributors in

the early and mid-1910s) and the Universal Film Manufacturing Company (which eventually became Universal, one of the eight powers during the studio period).

As it is clear from this account, independent filmmaking in these early years of American cinema was mainly a reaction to any attempt towards monopolisation of the film industry. In this respect, independence is defined here by a production company's refusal to succumb to the pressures applied by one or more organisations that actively seek total control of the film market. This essentially means that a company's status as an independent is shaped by its position outside an established (or semi-established) industrial-economic system which has been designed to suit one company organised in a particular way. The overall purpose of this system is to eliminate competition from existing players and/or discourage competition from potential entrants to the market. In other words, independence is perceived purely in industrial terms and without any reference to possible qualitative differences that the independents' films might demonstrate in comparison to the films made by the Patents Company members.

These early independents, however, did break away from certain production and distribution practices of the Trust. One of the major advantages the independents had over the Patents Company was that they were willing to experiment. Unlike the production companies working for the Trust, who were making one-reel films under the assumption that the public was indifferent to the quality of the product and who would get their 10 cents per foot of film produced regardless of content or quality, independent producers consciously strove to differentiate their product. For that reason, when audience demand for more pictures with 'Little Mary' became evident, it was the independent companies that read correctly the public's increasing fascination with screen performers and it was Carl Laemmle and his Independent Motion Picture Company (before he formed Universal) who lured Florence Lawrence and Little Mary (aka Mary Pickford) away from Biograph, a member of the Patents Company. Despite the fact that MPPC adopted the star system almost at the same time as the independents, in many ways it was responding to practices initiated by independents and not to the signs of the times.[11]

Similarly, it was another independent, Adolph Zukor and his Famous Players Company who realised the potential of feature-length films (at least four reels long as opposed to the two-reel maximum length practised by the Patents Company) for much greater profits. Although multi-reel

Figure 1.1 The birth of United Artists. D. W. Griffith signs the papers finalising the company's incorporation, surrounded from left to right by Douglas Fairbanks Sr, Charlie Chaplin, Albert Bahnzaf (lawyer), Dennis O'Brien (lawyer) and Mary Pickford.

films imported from Italy had appeared in the US markets as early as 1910, it was the success of *Queen Elizabeth* (Desfontaines and Mercanton, 1912), a four-reel film imported by Zukor and starring Sarah Bernhard, that paved the way for the eventual triumph of this film format as the mainstay of American cinema. With the General Film Company refusing to distribute anything longer than two reels – as this would mean a much higher distribution cost for a company that was buying films by the foot – Zukor resorted to other distribution strategies such as road showing and promoting his films via the states rights market.

In road showing, films were branded as special events and toured around the country playing mostly in legitimate theatres and more rarely in prestigious exhibition sites such as town halls. Admissions prices were as high as $1 (at a time when standard prices were around 25 cents) and

the film played for as long as each market sustained it. Once demand for the film decreased, the producer would seek to make more profits through the states rights market. States rights was a system of film distribution whereby a small exchange company acquired the rights of a film and exploited it in a number of theatres in a delimited territory or state, usually for a flat fee. Operating outside the control of the General Film Company exchanges, which dealt specifically with one- and two-reel films, states rights distributors became specialised in the marketing and selling of multi-reel films, which were gradually becoming increasingly important as money-earners for their production companies.[12] It was partly due to the success of feature films in the states rights market that a national system of distribution finally emerged in 1915–16, primarily through the work of W. W. Hodkinson, who was originally in charge of one of these states rights exchanges.

These production and distribution methods practised by the first independents precipitated the decline and eventual collapse of the Motion Pictures Patents Company and its distribution arm, therefore salvaging the neophyte film industry from the claws of monopolisation. It was some of these same independents, however, that would try to become the next rulers of the US film industry.

INDEPENDENTS BEFORE THE FORMATION OF THE STUDIOS

With the Patents Company out of the picture, Adolph Zukor's Famous Players Film Company set out to become the next ruler in the American film industry. Together with the Feature Play Company (owned by Jesse Lasky, Samuel Goldfish [later Goldwyn] and Cecil B. DeMille), Zukor's company understood the potential of a new system of national film distribution devised by Hodkinson and implemented through his company, Paramount (formerly Progressive). Under this system Paramount would finance the production of feature films by advancing funds to production companies in exchange for exclusive distribution rights for a set period of time. In this manner, producers would be in a position to dedicate their efforts solely to the making of the films, leaving the marketing, promotion and advertising of the pictures to a specialised distribution company that is adequately equipped to reach a nation-wide audience.

As one of Paramount's first clients, Zukor experienced first hand the benefits of the new distribution system. Within two years of their initial

agreement in 1914, Zukor and Lasky took over Hodkinson's company and in the process found themselves in charge of a giant production-distribution outfit as they also merged Famous Players with Feature Play into Famous Players-Lasky. The power of the company became such that before the end of 1916 they introduced the practice of block booking.[13] Under this trade practice, exhibitors were forced to accept a company's annual output in one large or a few smaller blocks of films, despite the fact that the majority of a company's films were of a dubious quality with lesser or no stars, and production values often down to an absolute minimum. In order for exhibitors to secure a company's top-rate and therefore most desirable productions (for instance, the Mary Pickford films at Paramount), they also would have to accept the rest of the company's productions.

As we shall see later in this chapter, this particularly oppressive trade practice kept films made and distributed outside the studios from reaching specific cinemas and, to a certain extent, defined the parameters of independent filmmaking during the 1928–48 period. Block booking, moreover, provided the spark for another movement of resistance to Zukor's attempt towards monopolisation, a movement which, once again, can be labelled *independent*. Unlike its predecessor, however, which had its roots in 'outlaw production', this independent movement started with disenfranchised film exhibitors.

By the mid-1910s a small number of newly built, centrally located theatres in several large American cities were accommodating the increasingly large motion pictures audience. Although these theatres represented a very small percentage of the actual theatres in the country at the time (approximately 200 out of 14,000),[14] they nevertheless held the power to dominate exhibition. This was because films in first run were guaranteed maximum exposure and publicity as well as much larger profits than in smaller, second-run theatres.

The first-run exhibitors were dissatisfied with Paramount's trade practices – especially with block booking – and as they gradually became aware of the power their sites had in controlling exhibition they organised resistance against Zukor. In April 1917, twenty-six key first-run exhibitors representing the biggest markets in the country formed the First National Exhibitors Circuit, a distribution company whose objective was 'to acquire outstanding pictures made by independent producers'.[15] With a distribution network in place and with exhibition secure in all key territories, First National proceeded to attract talent from various

companies. The company's greatest success was to lure Charlie Chaplin and, especially, Mary Pickford from Mutual and Paramount respectively. History repeated itself: in the same way Laemmle's Independent Motion Picture Company had managed to lure Pickford away from The Patents Company, it was now First National that managed to lure the same star away from another company that was attempting to exert control over the industry. By 1920 First National had become a great force in the industry, controlling 639 theatres, 244 of which were first-run houses.[16]

Zukor's response was to try to merge Paramount (as Famous Players-Lasky was eventually renamed) with First National, aiming to create a vertically integrated super-company. When the merger did not materialise, Zukor chose to do the next best thing: he proceeded to an aggressive programme of theatre acquisition which would not only make Paramount vertically integrated, but would also end First National's domination of the exhibition circuit. From that moment on and for almost a decade the history of the American film industry was defined by endless corporate battles, mergers and takeovers as other companies, in all three branches of the film business, tried to emulate Zukor's example to stay in the game. The end result of this corporate restructuring was further consolidation until the industry reached its mature oligopoly phase in the mid-/late 1920s.

First National can be perceived as an independent company that opposed Paramount's march towards monopolisation of the American film market. However, the company is also important as a distributor that set out to acquire films made by independent producers. As a distributor-exhibitor (but not a producer) First National's practice of setting up creative individuals as independent producers with, sometimes, complete creative control in exchange for exhibition and distribution rights became the blueprint for one of the main forms of independent production in the studio era. It also paved the way for the birth of a distribution company which would handle the bulk of independent production during the era of oligopoly, United Artists (UA). It is not coincidental that prior to the formation of UA two out of its four founders (Charles Chaplin and Mary Pickford) were independent producers releasing through First National, while the other two (D. W. Griffith and Douglas Fairbanks) were set up as producers of their own films at Paramount/Artcraft but with less creative control than Chaplin and Pickford.

The formation of United Artists was a direct response to the rumours of the merger between First National and Paramount. Star-producers Chaplin,

Pickford and Fairbanks (whose contract with Paramount was close to expiring) and director-producer D. W. Griffith announced their intention to form their own production-distribution company. In their first press release (15 January 1919) they articulated clearly their vision about the role and function of their company:

> We believe this is necessary to protect the exhibitor and the industry itself, thus enable the exhibitor to book only pictures that he wishes to play and not force upon him . . . other program films which he does not desire . . . We also think that this step is positively and absolutely necessary to protect the great motion picture public from threatening combinations and trusts that would force upon them mediocre productions and machine-made entertainment.[17]

Under the spectre of a 'threatening combination' that the potential merger between Famous Players-Lasky and First National would create, and with the memories of the Trust's efforts to monopolise the industry still very fresh, UA was officially incorporated on 17 April 1919. Although originally envisaged as a production-distribution outfit, UA was eventually set up purely as a distribution company with the mission to supply theatres with films made by independent producers outside the studios, in addition to films made by its four founders. As we shall see in the next section, not only did UA come to represent one of the very few avenues – certainly the most prestigious – for independent production during the 1930s, it also actively shaped the discourse on American independent cinema for the same period. This was mainly because UA was created, as Tino Balio argued, 'for the benefit of the independent producer in an era dominated by big business and an oligopolistic market structure',[18] despite the fact that it eventually became an integral part of that same market structure it was set up to counter.

Despite its ambiguous position in the American film industry, UA ensured the continuation of a particular format of independent production, which can be labelled as 'top-rank independent production' (as opposed to the low-end format of independent production associated with the Poverty Row studios, which is examined in Chapter 2). Top-rank independent production was practised by a small number of filmmakers who could produce artistically and commercially successful films but who were unwilling to follow some of the rules of the studio system for a variety of

reasons. Some of these reasons included: disagreement with studio policies; lack of creative control during the production process; exclusion from profit participation schemes; and, more rarely, aspirations to make 'different' films, which the studios would probably never produce. Although one could argue that producers like Samuel Goldwyn, Walt Disney, David O. Selznick and Howard Hughes 'depended', each to a different extent, on certain resources of the studio system, they nevertheless provided American cinema with a product that often led the way in a number of areas of the film art and business. As Thomas Schatz put it:

> While the big studios emphasised efficiency and productivity, Selznick and other major independents like Sam Goldwyn and Walt Disney produced only a few high-cost, high-yield pictures annually. These filmmakers were in a class by themselves turning out prestige pictures that often tested the economic constraints and the creative limits of the system or challenged its usual division of labour and hierarchy of authority.[19]

Specifically, films by these producers tested the tolerance of the Production Code (Selznick's *Prisoner of Zenda* [Cromwell, 1937] and *Gone with the Wind* [1939], Hughes' *The Outlaw* [1943]). They pushed the limits of technological innovation (Disney's *Snow White and Seven Dwarves* [1937]) and were credited with ushering Hollywood to a new era of mature representations on screen (Goldwyn's *Best Years of Our Lives* [Wyler, 1946], Selznick's *Duel in the Sun* [K. Vidor, 1946]). Furthermore, the same producers repeatedly broke conventional distribution and marketing strategies in an attempt to maximise the box office revenues of their films (*Duel in the Sun* was one of the first films to be released simultaneously in a number of cities; *The Outlaw* was marketed on a city-by-city basis by the producer himself). They advocated the use of scientific audience research at a time when the studios took their audience for granted (Selznick and Goldwyn were among the first producers in Hollywood to make use of the Audience Research Institute, which was established by George H. Gallup to study the Hollywood industry and its audience). Their films repeatedly outperformed the studio films (*Gone with the Wind*, *The Best Years of Our Lives* and *Duel in the Sun* grossed more than $10 million at a time when $5 million gross was considered outstanding business). Finally, in what was a unique arrangement in the studio era, Disney's short-subject films were used as

hooks by distributor RKO to sell its – sometimes substandard – feature films (the exact opposite was true for all the other studios).

One could argue then that top-rank independent filmmaking during the studio era was associated with prestige-level film production, which became a particularly significant production trend in American cinema during the 1930s. Prestige-level films were high-cost productions (between $1 and $4 million) and were normally based on firmly established, pre-sold properties to ensure audience recognition. Such properties included nineteenth-century literature, Shakespearean plays, best-selling novels, popular Broadway productions, and biographical and historical subjects.[20] As a result, prestige-level films could be of different genres and styles as the emphasis of such films was on production values (high budget, lavish settings, special effects, top stars, glamour) and especially on the films' marketing potential.[21] Although all the major studios adopted this trend, it was a small group of independent producers that, by and large, set the standards and defined the potential of such productions. And it was the success of these independently produced films which occasionally pioneered innovation in several areas of the three branches of Hollywood filmmaking: production, distribution and exhibition.

INDEPENDENTS IN THE AGE OF OLIGOPOLY

There are two main periods in the history of top-rank independent production during the era of mature oligopoly (the era of the Big Five and the Little Three). The first period covers the years between the mid-/late 1920s and 1939. During this period top-rank independent production was a relatively isolated phenomenon in the American film industry and was mainly characterised by a small group of elite producers, which apart from Goldwyn, Selznick, Disney and Hughes included among others Walter Wanger, Joseph Schenck and Darryl Zanuck (before their company 20th Century Pictures merged with the Fox Corporation), Chaplin and Pickford. These producers had formed their own companies and were in the business of making only a few, mostly high-cost, prestige-level films per year.[22] Their films were handled theatrically by United Artists, which represented the main outlet for distribution of independently produced films during those years.

The second period of top-rank independent production in the studio era spans the years between 1940 and 1948. This time it was characterised by

an industry-wide shift to this type of filmmaking. A cluster of factors that included the growing demand for prestige-level films (especially during the World War II years), the increasing power and leverage of a relatively large number of above-the-line studio employees (actors, directors and, more rarely, writers) and the effects of changes in the taxation system for the duration of World War II encouraged a much larger number of film producers than in the previous period to go independent. Thus, by the end of World War II in 1945 there were fifty independent producers, while two years later the number had risen to ninety.[23] Apart from the change in volume, what differentiates this phase of independent production from the earlier one was that the studios became active players in fostering this type of filmmaking. Starting with RKO, which had already signed Walt Disney from United Artists in 1938 and had become a major competitor for UA by 1940, all the major studios (with the exception of MGM) gradually opened their gates to independent producers and established an environment within which an increasing number of newly formed production companies were located. This of course raises questions about the degree of independence of those producers from the studios, questions that are tackled later on in this chapter.

THE FIRST PERIOD (MID-/LATE 1920s–1939)

The first period of top-rank independent production is intricately linked with the trade and business practices of United Artists, the company that was set up with the explicit mission to function as a distribution avenue for filmmakers who produced self-financed films through self-owned companies. As the only distributor to be established by the talent and the only one of the eight dominant film companies in the 1920s and 1930s without a production or an exhibition arm, UA was certainly an oddity in the studio system. Despite the fact that it has always been considered by film historians as one of the eight oligopolists and, especially, a member of the Little Three, United Artists did not also cease to be what Douglas Gomery calls a 'specialised studio', located 'further on the fringe' alongside companies such as Monogram and Republic.[24] If the specialisation of the Poverty Row outfits was in producing and distributing cheap action films, especially westerns (see Chapter 2), the specialisation of United Artists lay in the distribution of prestige-level films and/or star vehicles by a small number of creative producers. United Artists was the only company

outside the studios that was allowed access to the first-run houses, which had the power to dominate exhibition. With the other studios' doors firmly closed, top-rank independent producers needed United Artists' distribution apparatus to get access to those theatres.

By the time the structure of the American film industry stabilised in the late 1920s, there were over 20,000 theatres in the US. Although the five majors owned less than 20 per cent of those theatres, their possessions included 80 per cent of the first-run theatres and a large number of the best second-run ones. Concentrated in major metropolitan areas, those studio-owned theatres were responsible for between 50 and 80 per cent of all box office revenues generated in the US, figures disproportionately high given the five studios' low ownership percentage.[25] Furthermore, these theatres and a small number of studio-affiliated theatre circuits were excluded from block-booking practices, which meant that they were free to book the most commercial titles from all eight studios, while in exceptional circumstances (when they could not fill all their playdates) they were prepared to accept independent films distributed by companies other than United Artists. Finally, the five studios had divided neatly the exhibition market among themselves (Paramount controlled the South, New England and Upper Midwest; Fox, the West Coast; RKO and Loew's each controlled a large part of New York, New Jersey and Ohio; and Warner Bros dominated the mid-Atlantic states),[26] to the extent that no newcomer could enter the exhibition market without their approval.

With the danger of being shut out of the lucrative first-run theatre market clearly visible, United Artists, under the management of Joseph Schenck (1924–34), devised a programme of first-run theatre acquisition. Once the major studios realised that the small distributor of independently made films was ready to play their game, that is, expand into the theatrical exhibition branch, they agreed to allow UA-distributed films in their first-run theatres. This was under the provision that the company would remain solely in the business of film distribution and therefore abort its expansion (and integration) programme. As the studios were in no position to produce a combined output of prestige-level films that would cover the exhibition requirements of the first-run theatre market, United Artists' product would certainly make a welcomed addition from which both parties would stand to profit: the studios through ticket sales, which were expected to be high given the quality of the independently produced films; UA through distribution fees and rentals from first-run

sites across the country, which were bound to be higher than the revenues the company would earn had it exhibited its films solely in its own theatres.[27] Between 1928 and 1931 all five major studios signed deals with UA whereby they agreed to exhibit a fixed number of its films in their first-run theatres, while UA refrained from further expansion into the field of exhibition.

Although these agreements secured United Artists' future, they also compromised on the one hand the company's status as a vehicle for independent filmmakers' resistance to the integrated majors. Securing its future essentially meant becoming an integral part of the same oligopolistic structure the company originally set out to oppose. On the other hand, the majority of the independent filmmakers distributing through UA were prominent figures in American cinema and it was in their best interest to maintain a symbiotic relationship with the dominant forces of the industry rather than adopt a clearly oppositional stance. For that reason, even though UA, unlike the other studios, continued to avoid applying controversial trade practices such as block booking and blind-bidding, it did become a member of the eight controlling companies of the American film industry. For instance, its collusion with the five majors in the first-run theatre market was a good enough reason for the Antitrust Division of the US Justice Department to charge UA, alongside the other studios, with violating the Sherman Antitrust Act in 1938.

Despite this ambiguous status, however, United Artists' access to first-run theatres ensured that there existed at least one serious distribution outlet for top-rank independent filmmakers. Not surprisingly then, the company attracted almost all of the few individuals who, for various reasons, defied the studio-based system of film production and ventured into independent production by forming their own companies. Table 1.1 contains details of the twenty-seven American-based production companies, the individuals behind them and the number of films they delivered to United Artists for distribution during the 1926–39 period (the + symbol indicates that a number of companies continued producing for UA in the post-1939 period).[28]

From the 27 American production outfits, which were responsible for the 179 (out of 223) films United Artist released in those 14 years,[29] 11 made just one or two films for the company. These included ex-founder D. W. Griffith who had sold his stake in UA by 1924 to return to studio-based filmmaking but arranged a one-off deal as an independent producer in 1932, and

Table 1.1 US production companies distributing through United Artists, 1926–39

Production companies	**Association with UA 1926–1939**	**No of films**
Samuel Goldwyn Company (Samuel Goldwyn)	1926–1939+	46
Art Cinema Corp. (Joseph Schenck)	1927–1933	29
20th Century (Joseph Schenck, Darryl Zanuck)	1933–1935	18
Walter Wanger Productions (UA, Walter Wanger)	1937–1939+	13
Selznick International Pictures (David O. Selznick)	1936–1939+	9
Reliance Pictures (Edward Small, Harry Goetz, Joseph Schenck)	1933–1936	8
Caddo Productions (Howard Hughes)	1927–1932	7
Elton Productions (Douglas Fairbanks)	1926–1932	5
Hal Roach Studios Inc. (Hal Roach)	1938–1939+	5
Joseph M. Schenck Productions (Joseph Schenck)	1926–1929	5
Swanson Producing Corporation (Gloria Swanson)	1927–1933	5
Mary Pickford Company (Mary Pickford)	1926–1933	4
Charles Chaplin Productions (Charles Chaplin)	1926–1939+	3
Buster Keaton Productions (Buster Keaton, Joseph Schenck)	1927–1928	3
Inspiration Pictures (Walter Camp Jr)	1927–1928	3
Edward Small Productions (Edward Small)	1938–1939+	3
Inspiration-Carewe (Walter Camp Jr, Edwin Carewe)	1929–1930	2
Art Cinema-Goldwyn (Joseph Schenck, Samuel Goldwyn)	1931	2
Pickford-Fairbanks (Mary Pickford, Douglas Fairbanks)	1929	1
Pickford-Lasky (Mary Pickford, Jesse Lasky)	1936	1
Walt Disney Pictures (Walt Disney)	1937	1
D. W. Griffith Productions (D. W. Griffith)	1932	1
Patrician Productions (Walter Camp)	1932	1
Halperin Productions (Edward Halperin)	1932	1
B. F. Zeidman Productions (Bennie F. Zeidman)	1933	1
John Krimsky and Gifford Cochran Inc. (Krimsky and Cochran)	1933	1
Viking Productions (King Vidor)	1934	1
Total		**179**

Walt Disney who made a large number of shorts but only one feature-length film for the company. From the sixteen remaining production companies, United Artists' chairman Joseph Schenck was involved in five (Art-cinema, 20th Century, Reliance Pictures, Joseph M. Schenck Productions and Buster Keaton Productions), while the three remaining founders, Chaplin, Fairbanks and Pickford, produced their films through individually owned companies. This left Goldwyn, Wanger, Selznick, Hughes, Hal Roach and Edward Small (who produced most of their films for United Artists post-1939), Gloria Swanson and Walter Camp, who produced films through three different outfits: Inspiration, Inspiration-Carewe and Patrician Productions.

It is clear then that the independent producers who supplied United Artists with product on a regular basis or throughout an extensive period of time were a particularly small group, which becomes even smaller if one tries to locate the individuals who were in the business of making only prestige-level pictures.[30] This suggests that top-rank independent production was a modest and relatively isolated phenomenon in American cinema until the late 1930s, which explains why it was represented mainly by one specialised distribution company.

Economic Constraints

The reasons behind the relative shortage of successful or well-established independent producers are several and can be traced in the specific market conditions that characterised American cinema during the late 1920s–late 1930s period, the years of the Great Depression. In the years prior to the Depression, the independents faced two main problems: obtaining production finance and accessing the studio-owned first-run theatres. With Wall Street banks interested only in film companies with tangible assets – the studios – it was extremely difficult for independent companies to obtain production loans or secure any other form of investment, especially as they were not guaranteed access to the all-important first-run theatres (until United Artists came to an agreement with the majors in 1928). As a result, independent production was limited to a few individuals such as the UA partners who had established outstanding track records in terms of box office revenues since the early 1910s and millionaires like Howard Hughes who was in a position to self-finance his productions.

These conditions did not particularly improve as the 1920s drew to a close, even though both production finance and access to the first-run theatres seemed to become somewhat easier to obtain. This time, it was the complex problems the industry faced during the period of the conversion to sound (1926–28) that proved prohibitive for a large-scale turn to independent filmmaking.[31] Even the few established producers who distributed through UA had to wait until October 1928 to release a film with synchronised sound, approximately ten months after the release of *The Jazz Singer*.[32] This was because almost all available sound equipment was utilised for studio production, which meant that the independents had very few opportunities to make sound films.

The next decade, however, seemed to be somewhat more promising. Ironically, the major factor that improved slightly market conditions for established and new independent producers was the Great Depression and its impact on the studios and the film industry in general. Having borrowed heavily during the late 1910s and early 1920s to acquire hundreds of theatres and extended financially even more in the late 1920s during the conversion to sound, the studios found themselves in an extremely fragile state when the Depression eventually hit the film industry late in 1930. One of the measures the studios took to deal with the effects of the Depression was to adopt a more tolerant attitude towards independent filmmakers. This was especially so when the latter started specialising in prestige-level pictures, films that turned out to be the biggest money-makers during the 1930s. Furthermore, the studios changed their system of production to reflect the flexibility of the independents' approach to filmmaking, while even developing their own brand of 'independent' production. All the above changes, however, took place after the studios collectively put an end to a radical independent project initiated by David O. Selznick. This was based on an idea that was only slightly ahead of its time and entailed the establishment of an independent company within the structures of a major studio, RKO.

Selznick attempted to create an independent company which would consist of a small number of units headed by filmmakers. The company would produce about twelve prestige-level films per year and, according to Selznick, would provide the answer to the considerable number of bad films that had flooded the US film industry in the early 1930s.[33] During his stint at Paramount Selznick had suggested the idea to his superiors but the studio was not interested. After leaving Paramount, Selznick tried to

obtain the necessary funds to get the company off the ground but he was unsuccessful. Instead, he decided to accept an offer to become RKO's vice president in charge of production in October 1931 and establish his company within the structures of the studio. By that time RKO was in a desperate financial situation (the Depression had started leaving its mark with $5.7 million net losses for 1931) and, therefore, was willing to try new approaches to film production.[34]

The other studios interpreted Selznick's project as a move that would take creative and administrative control from the studios' owners and top executives to filmmakers or mid-echelon managers, and in effect undermine the traditional structure of the industry. In a perfect example of collusion the studios ensured that Selznick's independent venture was killed off.[35] He had to wait until 1935 to form Selznick International Pictures (SIP), the structure of which reflected his original idea of a company made of a few units. Like other top-rank independents, SIP made an agreement with United Artists for distribution.

Although Selznick's idea had its foundation on unit production, a particular approach to filmmaking that had been practised informally in some studios since the late 1920s,[36] it nevertheless proved particularly threatening for the studios at a time when their revenues and profits were decreasing rapidly. With their combined profits dropping from $55 million in 1930 to $6.5 million in 1931, the studios were reluctant to allow the extra competition that Selznick's company would certainly create.[37] More importantly, though, the studios were not ready to formalise unit production and accept the partial handover of control of film production from studio owners or top executives to filmmakers. As it turned out, Selznick had put his idea forward only one or two years early. By 1933, as the eight studios collectively recorded $26 million net losses and the need for a more strict fiscal policy became evident, they were ready to replace the dominant central producer system of production with the producer-unit system.[38] Like any dominant business enterprises in any other industry, they were ready to accept new practices when the benefits to them were clear or when market conditions left them with no alternative.

Independent Production vs Studio-Unit Production

Under the central producer system, which had been the dominant system of production since the mid-1910s, one executive – usually a top-class

producer or a manager – supervised a large quantity of films per year (normally between thirty and fifty). This system was best exemplified by managers like Irving Thalberg at MGM who had input in every single production of their respective companies. The producer-unit system, however, decentralised management control, transferring it from one executive or a committee of executives to an elite group of top-rank producers/executives per studio. Each of these producers was in charge of a unit of studio-contracted employees and delivered a short number of films, normally between three and six per year. The benefits from this shift were many, including: better cost and quality control per film as one person supervised fewer films; a more enhanced sense of teamwork among unit members; further product differentiation within a studio and across the industry as each unit revolved around a particular star, director or producer who made specific types of films; and more efficient use of a studios' assets, which meant lower overhead costs.[39]

This new system of film production presented a number of features common with top-rank independent production. The main ones included: a creative individual in charge of the production process; a tightly knit group of employees working only for one producer; a small number of films produced per year; occasional participation of unit-producers in their films' profits; and production of films of a particular type/trend/style. This suggests that at the time when a handful of producers were making films independently for United Artists there was a much larger number of producers who were heading their own units and were making films for the other studios. In other words, there was a significant number of producers, many of whom specialised in prestige-level and A-class films, who preferred the small degree of autonomy that the security of unit production provided over the larger degree of autonomy that the uncertainty of independent production promised. As we shall see in the next section, many of these unit producers became the independents who characterised the 1940–8 period.[40]

This raises the question of the degree of independence for both unit and independent producers. According to Matthew Bernstein, the producer-unit system was only a slight modification of older production models initiated for the benefit of talent that sought more creative control (such as the Famous Players-Lasky's Artcraft arrangement for Mary Pickford in 1916 and First National's agreements for Chaplin and Pickford in 1917 and 1918 respectively).[41] As a result, Bernstein continues, when unit production

became dominant in 1932–3, it was only an independent production model that was appropriated by the studios and was adapted to the needs of the existing mode of production. As he puts it:

> Although they correspond to different corporate and contractual arrangements, the different terms 'unit' and 'independent' production actually denoted differences in the degree of autonomy rather than differences in kind. In practice from the mid-1920s onward unit production and independent production for major studio distribution were interchangeable.[42]

Even though Bernstein seems to be refuting the existence of 'real' independent production in the studio era, he nevertheless does not refer to the producers who released through United Artists when he talks about 'independent' production. Instead, he refers to another brand of independent producers such as Walter Wanger and Edward Small (before they both started producing for United Artists), Lewis Milestone, Jesse Lasky and a few others whose production companies established distribution deals with the majors. Although in many respects similar to the independents who distributed through United Artists, this particular brand of independent production was characterised by the various forms of control the studio/distributor was able to exercise. Furthermore, as the studios were members of the Motion Picture Producers and Distributors Association (MPPDA) all the films they distributed (including their in-house independent productions) were subject to approval by the Production Code Administration (PCA), a division of the MPPDA that regulated the films' content. For all those reasons, these productions' 'independent' status was severely compromised.

One particularly interesting example is provided by the treatment of JayPay's first production for Paramount, the Walter Wanger-produced *The President Vanishes* (Wellman, 1934). The film, which deals with the efforts of a group of industry leaders to force the US president to enter the war in Europe so that they will increase their profits, was subjected to a number of changes by Paramount and PCA who did not agree with the representation of various industry professions and the film's overtly liberal political content. As Bernstein argues, Walter Wanger, who otherwise had enjoyed complete freedom in the production process, had actually chosen this format of independence to avoid 'the kind of meddling' that the studio

and PCA habitually exercised on their in-house productions. While Wanger's contract with Paramount specified that he was obliged to make any changes dictated by the PCA, it did not have any provision for Paramount's interference with the film's content. Despite that, Paramount board members demanded cuts from the film while the studio's president, John Otterson, dictated an opening title which would emphasise the film's fictional status and deny any potential for truth value in the events represented.[43] Producing independently for a major (a practice that Bernstein calls 'semi-independence' and equates to unit production), therefore, did not guarantee complete creative control, and Wanger, after a short stint as a unit producer at Paramount, moved to United Artists in search of a more enhanced form of independence in 1936.

The producers who distributed through United Artists, however, were 'a case apart', not least because United Artists did not have any in-house productions to which its independent films could be compared.[44] Like the other studios, United Artists was also a member of the MPPDA and had to distribute films that carried the seal of approval from the PCA. Unlike the studios, though, United Artists did not influence the production process or, indeed, demand any non PCA-related changes in the films of its producers. To the contrary, the company made it an informal policy to stand by its producers' films, which often tested the tolerance of the Production Code and the patience of its administrators. Aside from specific ideological reasons (the owners of the company were producers themselves and were more sensitive to questions of creative control), United Artists was not in a position to either influence a production or demand changes in a final cut. This was because all the producers who released through the company arranged their own financing. As a matter of fact, United Artists provided no finance to independent producers during the 1926–39 period, with the notable exception of Walter Wanger Productions, when it joined UA in 1936.[45] As a result the producers who distributed through UA were able to exercise control of their productions, unlike their counterparts who had distribution deals with the studios.

Financing for independent production in the 1930s was available only for an elite group of producers, while the size of guarantees financial backers asked for to make production funds available ensured that the group of independent producers would continue to remain small. With UA refusing to provide any form of financing, the only other avenue open to independent producers was commercial banks, which nevertheless agreed

to bankroll producers who had established a good track record of box office revenues. For instance, Goldwyn and Selznick, perhaps the two most successful independent producers in the studio era, arranged financing for their films in the form of residual loans from a small number of banks. To qualify for such a loan for a proposed picture, the producer was asked to secure a distribution contract, surrender any profits from the proposed film until the loan was covered and mortgage any earlier films that were still returning profits for the period of the loan agreement.[46] The more successful the earlier pictures and the more promising the proposed one, the more easily the bank would agree to a loan. This of course made it very difficult for any aspiring independent producer to secure production funds and partly explains why there were so many producers who delivered only one independently produced film for United Artist in the 1926–39 period.

Some Economic Opportunities

Despite the problems, however, top-rank independent production was also essential for the Depression-hit film market. Burdened by the heavy borrowing for the conversion to sound, the studios had started decreasing their output gradually, from 393 releases in 1929, to 362 in 1930, to 324 in 1931, to 318 in 1932.[47] Along with the slowdown in production, the studios also emphasised films 'that would add to the bottom line' rather than take gambles with ambitious projects.[48] Although this decrease was accompanied by a much more substantial drop in the number of theatres in the US (4,000 theatres closed between 1930 and 1932),[49] exhibitors' demand for product was nevertheless increased exponentially. This was because of the introduction of the double bill (or double feature presentation), a practice that saw the billing of two films together as part of an evening's programme. The double feature normally consisted of a major production, which was the main attraction (the A film), and a lesser known film which got the lower half of the billing (the B film). Less than a year after its introduction, the double bill had become a norm in the field of exhibition as more than 8,000 theatres adopted the practice.[50] The A/B film combination was deemed good value for money for a bargain-hunting public and consequently can be considered responsible for keeping theatre attendance at a relatively respectable level during the nadir of the Depression (1932–3).

Although the double bill proved extremely beneficial for the low-end independent producers at Poverty Row (which is why we shall examine

it in more detail in Chapter 2), it also provided top-rank independents with considerable gains. Firstly, because of the extraordinary demand for product, exhibitors (including the prestigious first-run theatres) turned more often to independent producers to acquire the necessary number of films to fill in their playdates. This resulted in the consolidation of the independents' status as essential components of the American film industry. Secondly, as they specialised in the production of prestige-level and solid A-class films, independent producers saw their films in constant demand for the top half of the double bills.[51] Although top-rank independent producers like Goldwyn and Selznick were completely against the concept of the double bill (they thought that coupling their own productions with lesser films would degrade the former as well as deprive them of a percentage of the rentals),[52] ticket sales in theatres playing double bills were consistently higher than in the few theatres which exhibited one film. In other words, the independent producers stood to profit more from double bills despite their position that their films should be exhibited on their own.

Finally, and more importantly, the combination of great demand for film along with the studios' trend to emphasise the production of films that would add to the bottom line elevated the already prestigious independent product to an even higher status. Top-rank independent producers became the champions (and gatekeepers) of outstanding production values and overall quality in filmmaking, while their films epitomised the level of artistic excellence that US cinema was capable of achieving. In the words of Thomas Schatz:

> Just as any studio needed its occasional prestige picture to reinforce its artistic credibility, so had the industry at large needed independent producers like Selznick and Sam Goldwyn to define the high-class motion picture – so long as they were not too independent and their pictures reinforced rather than challenged or changed the dominant notions of value and quality in feature filmmaking.[53]

As the film industry started bouncing back from the effects of the Depression in the mid/late 1930s, the few top-rank independent production companies had not only managed to survive, they also had become an integral part of the film industry. The major studios had realised that not only were the independents' contributions essential for the smooth

running of the industry, they also did not pose any real threat to the studios' domination of the film market. This was mainly because the most important of these independents (Goldwyn, Selznick, Disney and Wanger) operated as mini-studios and in effect replicated a number of production and business practices associated with studio filmmaking. These practices included, among many others, the adoption of a detailed division of labour during the production process, the making of genre films and the placement of stars, directors and other creative personnel on long-term contracts. Furthermore, they could not pose any real threat for the studios because, despite whatever claim to financial independence, they had to use some of the studios' resources whether these were the studios' sound stages, their directors or their stars. Most importantly, they had to use their theatres, because without the studio theatres they would not be in a position to bring their films to profitability, and therefore secure funding for more pictures.

Where they differed from the studios, the in-studio independents (like JayPay Productions) and the studio units was in the ways these independents adapted certain dominant production practices to allow for greater collaboration during all stages of the production process,[54] and in the ways they 'pushed the envelope' in several aspects of film production, distribution and exhibition. As a result, the vast majority of the films produced by these companies did not present major aesthetic differences from the films produced by the studios. Surely, there were films with transgressive moments in terms of the use of film style, the construction of narrative, the politics of representation and in terms of bypassing the limitations of the Production Code. Those moments, however, were not pervasive enough to suggest the existence of an 'alternative' cinema, movement or film culture that ran parallel to the mainstream studio cinema. Rather, they constituted isolated instances of unconventional filmmaking at a time when the films of a small number of studios seemed to be made within the boundaries of a particular aesthetic paradigm, which Bordwell, Staiger and Thompson called 'classical'.[55]

Although it would be easy to dismiss these types of films as nothing more than studio copycats that were made outside the studio system simply because their producers wanted a share of the profits, such a characterisation would entirely miss the point. This is because the purpose of top-rank independent production during this period was not to revolutionise American cinema or even to articulate an alternative voice. Instead,

its was to resist the claws of oligopoly which since the late 1920s were closing tighter and tighter on the American film market. With five vertically integrated corporations exerting almost total control of the market, the threat of a film industry that would turn out films 'like sausages' became visible once again.

Independent production, then, sought on the one hand to prevent an extreme standardisation of American cinema towards which the centripetal tendencies of its oligopolistic structure seemed to be leading it. At the same time, it provided American cinema with product differentiation that was based mainly on the high level of quality that the films brought on to the screen. Not surprisingly, independent producers specialised mainly in prestige-level films which were defined by their level of quality, production values, spectacle and artistic competence rather than by particular genre/star/style combinations that characterised the vast majority of studio films. In this respect, independent production set trends, standards and fashions which were often imitated by the studios, while on several occasions pushing the limits of Hollywood's aesthetic paradigm. On the other hand, however, top-rank independent producers respected and therefore did not seek to change or even challenge certain fundamental aspects of American cinema: its organisation as a capitalist enterprise; its function solely as a narrative medium; and its emphasis on entertainment.

For all those reasons, it is not constructive to perceive of top-rank independent production in the late 1920s and 1930s as a failed effort to establish an alternative aesthetic paradigm in American cinema. Rather it should be seen as a successful experiment that prevented the integrated majors from achieving total control of the film market, while occasionally providing films which demonstrated the possibilities for an alternative American cinema.

THE SECOND PERIOD (1940–8)

If during the 1926–39 period independent production was a relatively isolated phenomenon, merely tolerated by the major studios and serviced primarily by one distributor, this was not the case after 1940. In the new decade independent production became an industry-wide phenomenon with the studios opening their gates to a large number of independent filmmakers and with United Artists gradually losing its distinct identity as the first-choice distributor for top-rank independents.[56] As a matter of

fact, from 1945 and until the end of the studio period, going independent meant going only with the major studios as United Artists failed to attract any distinctive new producers. A number of problems within the company but mostly the other studios' active encouragement of independent production from the early 1940s onwards convinced a large number of new independents to snub United Artists and, instead, sign distribution deals with the majors. As a result, independent production became an integral part of studio filmmaking, unlike the previous decade when it occupied a marginal position. This means that the studios were now in a position from where they could control and, consequently, influence independent production directly, while in the 1920s and 1930s they maintained their control indirectly, mainly through ownership of first-run theatres. On the other hand, independent production also influenced studio filmmaking in substantial ways and laid the foundations for a number of production and business practices that characterised American cinema in the following decades.

If there was a landmark achievement of independent production during the previous era, this was undoubtedly the Selznick International Pictures-produced film *Gone with the Wind* (1939). The film 'pushed the envelope' in a number of areas:

- it cost three to four times the budget of the average prestige-level film to make ($4.1 million);
- it was widely credited as a model for faithful film adaptation (from Margaret Mitchell's same-titled novel);
- it employed state-of-the-art Technicolor cinematography;
- it ran for three-and-a-half hours (almost double the length of an average studio film);
- it was launched amidst an unprecedented level of publicity;
- it received the highest number of Academy Awards until that time (eight – including one for Best Picture);
- it effected a minor but still very substantial victory against the Production Code Administration (the PCA allowed the inclusion of the word 'damn', a word explicitly forbidden by the Production Code until then); and
- it grossed $20 million only from roadshowing (before its general release and subsequent runs), more than any other film in the history of sound cinema until that year.[57]

The phenomenal success of *Gone with the Wind* and the less spectacular but still very strong business of another Selznick International Pictures-produced film, *Rebecca*, the following year (1940), resulted in a unique occurrence in the history of American cinema. In 1940 SIP became the first independent company to record more profits in one year than any of the major studios ($10 million compared to $8.7 million for the second, MGM, and $6.4 for the third, Paramount).[58] What makes SIP's achievement even more impressive, however, was that the company's profits came from only two films as opposed to forty-seven for MGM and forty-eight for Paramount.[59] What's more, *Gone with Wind* was also responsible for at least half of MGM's profits, as Selznick chose that studio to distribute his film, despite having a distribution contract with United Artists at the time. Realising that the box office potential of the film was enormous, MGM charged a 70 per cent distribution fee for a long period during the film's release and ended up with very good profits in a year when its own films underperformed.

Selznick's success demonstrated clearly the great potential for profit of independently produced, prestige-level films. MGM's profits, on the other hand, convinced the studios that they could stand to earn a massive part of their income from independent production simply by using the savvy of their distribution apparatuses and the power of their exhibition sites. As a number of independent producers had voiced strong complaints and doubts about United Artists' ability to market independent pictures effectively and to arrange the best possible exhibition terms,[60] the studios were in a position to offer independent production companies considerably superior distribution expertise. In fact, Selznick opted for MGM instead of United Artists, mainly because of the major's 'unparalleled sales and exhibition operations', which were greatly superior to United Artists' distribution resources.[61]

Although United Artists' competence in film distribution was questioned throughout its history by various independent producers, the company's distinct identity as the only distributor who could guarantee independents access to the first-run theatres ensured that it had always been the first destination for any top-rank independent producer. In the late 1930s, however, it got competition. In 1937 UA lost Walt Disney to RKO, while a year later George Schaefer, UA's general manager in charge of domestic distribution, left the company, also for RKO. As the new president for the studio, Schaefer immediately put into practice a programme

of recruitment of independent producers, in effect adapting the United Artists model to the resources of a major studio. Within a few years RKO became a haven for independent filmmakers with Samuel Goldwyn, Leo McCarey, Orson Welles and Alfred Hitchcock joining Disney and distributing their films through the company. Equally Universal, Columbia and even Warner Bros, the most factory-oriented studio of the 1930s, moved to embrace deals with independent filmmakers in the early 1940s therefore providing additional competition to United Artists.

The Industry-wide Shift

Besides the lessons that Selznick and *Gone with the Wind* were 'teaching' Hollywood in the late 1930s/early 1940s, there were other factors that convinced the studios to accept independent production as a very significant industry-wide paradigm for filmmaking. These included: the impact of the consent decree of 1940 (which limited substantially the practice of block booking and eliminated entirely the practice of blind-bidding); the effects of World War II (mainly the slowing down of film production, the increase in theatre attendances and, especially, the introduction of a system of taxation that encouraged the establishment of independent companies); and certain changes in film financing which opened up more options for independent producers. By the final months of 1947, when market conditions started deteriorating and independent production was no longer encouraged by the industry, there existed ninety active independent producers specialising in prestige-level or A-class features.

When the US Justice Department charged the eight major companies with violating the Sherman Antitrust Act on 20 July 1938, it initiated a legal battle that would last for more than a decade. Acting on behalf of the independent US exhibitors, who owned more than 60 per cent of the country's theatres but claimed a disproportionately low share of film rentals compared to studio and studio-affiliated theatre circuits,[62] the Justice Department filed a lawsuit against the Big Five and the Little Three to address this inequality. The lawsuit was aimed primarily at putting a stop to the practice of block booking, which forced all theatres – with the exception of the studio-owned first-run houses – to buy the studios' films in large blocks, sometimes as large as blocks of fifty. Furthermore, and as an extension of this aim, the lawsuit was also about discontinuing the practice of blind-bidding, through which independent exhibitors were forced to buy a

studio's films without knowing any information about the nature of the films, their stars or level of production values. On a more general level, however, the Justice Department's lawsuit was aimed at separating the branch of production from distribution and exhibition to stimulate competition. Consequently, it focused its attention on the vertically integrated Big Five studios. After months of deliberations, negotiations, political manoeuvring and thirteen trial postponements, the US government and the five studios drafted a consent decree which was signed by the relevant parties on 29 October 1940.

Although the 1940 decree had several main points, the one that became important for independent production was the studios' agreement to reduce the number of block-booked films to five and to replace blind-bidding with trade showing, a form of advanced screenings of studio films for prospective buyers. The consequences were immediate. In order to make the block of five films as appealing to exhibitors as possible, the studios started placing more emphasis on the films' production values, especially in terms of the use of stars and spectacle in individual films.[63] As a result, they gradually phased out B movie production but, more importantly, slowed down their overall production schedules to allow for more attention to their top films. The production slowdown had two very positive effects for independent production. First, it made studios look once more to the established independents to supply the extra product. Second, the demand for top-rank pictures became so high that it created a need for more independent companies to provide those pictures to the studios.

The studios' renewed emphasis on quality and production values caused a particularly important shift in the balance of power, from executives to above-the-line talent. While in the 1920s and 1930s films were sold on the basis of the studios' brand names, the limiting of block booking to groups of five decreased the value of the studio brand name as a bargaining tool. Instead, it was the films' stars, directors and stories that became the focal point for programme differentiation as well as the main marketing strategy the major distributors employed. Consequently, this above-the-line talent found itself in a position of growing power and increased leverage over the production process. The studios had no alternative but to accommodate a substantial number of directors, stars and, more rarely, writers who sought more creative and administrative responsibility of their pictures. This accommodation took the form of allowing (and later actively encouraging) talent to establish their own in-house independent shops, sometimes with

extremely favourable terms. As Thomas Schatz put it, 'the studios were willing to consider deals with outside producers and other top talent, often on unprecedented terms, simply to secure proven filmmakers who could reliably deliver A-class pictures'.[64]

At the vanguard of this new independent movement were the 'hyphenates', filmmakers who undertook a second and, more rarely, a third role in the production process, in addition to their normal roles. Unlike the majority of independent producers in the 1930s, who were originally studio executives or had an industrial or business background, these new independents were mainly creative personnel who established their own companies, while also adding extra responsibilities to their job description. Thus directors became director-producers (John Ford, Leo McCarey, Cecil B. De Mille, Frank Capra); writers became writer-producers (Herman Mankiewicz, Sidney Buchman, Nunnally Johnson) and writer-directors became writer-director-producers (Preston Sturges).

As the above internal changes in the American film industry had already cultivated a positive climate for a more widespread practice of independent production, the effects of the United States' entry to World War II created even better market conditions for the film industry in general and the independents in particular. Even before the country's entry in the war in December 1941, the film industry had started reaping the benefits of an increasingly strong economy that was driven by massive investment in the country's defence build-up. Theatre attendance had started to increase and so had the studios' profits which almost doubled from 1940 to 1941.[65] These trends continued throughout the years America was at war (1942–5). With employment rates at record levels, salaries up 65 per cent (from 1942 to 1945) and an overwhelming part of war-industry production taking place in and around the urban centres where the studios' theatres were located, attendance and profits surpassed pre-Depression totals in 1943 and continued at this level until the end of the war.[66]

The type of film that led the impressive box office revenues during this boom period was the prestige-level film. With approximately a third of all studio personnel serving the armed forces and with a number of bans imposed on the use of essential raw material for film manufacturing, the studios had to cut back further on their yearly output (from 358 films in 1942, to 289 in 1943, to 262 and 270 in 1944 and 1945 respectively).[67] As the output was getting smaller, demand for films, particularly for prestige-level productions, remained high and the studios were in an even greater

need for such films. Under these conditions independent production was not only welcomed but was also actively encouraged by a film industry that was desperate for product. Even the traditionally thorny issue of production financing was suddenly not such a great problem. The huge box office success of independently produced films such as *Sergeant York* (1941), *Since You Went Away* (1944) and *The Bells of St Mary* (1945) convinced Wall Street banks that independent filmmaking could be an enterprise as lucrative as studio production.[68] Consequently, they started financing independent companies, often without asking for the types of guarantees that had made production financing almost impossible in the previous decade.

Even though the system of production financing for independent films would be perfected after the end of the studio era, its main characteristics were introduced in the early 1940s. In general, there were three 'categories of money' which normally were differentiated by the degree of risk attached to them and which had to be obtained from different sources:

- first money: it finances up to 60 per cent of the production and is normally borrowed from a bank. It is termed so because it is the first one to be paid back once the film is released;
- second money or 'risk' money: it finances the remaining 40 per cent of the film and is normally raised by salary and other types of deferments or by straight cash from an outside party like a film distributor; and
- completion money: although this type of arrangement varies greatly from film to film, it normally involves the signing of a bond by a guarantor who undertakes the responsibility to provide the funds necessary for the completion of a film.[69]

The most important source of financing in this arrangement was the second money. It was on the basis of securing the second money (and of producing a distribution contract) that the banks would agree to provide the first money as it was rare for a film in the 1940s not to return enough rentals to cover the 60 per cent of its budget that the banks provided.[70] On the other hand, if a film did indeed do bad business at the box office, the 'second-money group' could stand to lose all their investment, which is why second money was also known as 'risk' money.

While market conditions were constantly improving, it was the introduction of a war-time system of taxation that perhaps played the most

important part in the exponential increase of independent producers in the 1940s. In order to finance the war, one of the US government's measures was to increase the income tax rates for all high-salaried employees. With the introduction of the Revenue Act of 1941, the top tax bracket was lowered from $5 million to $200,000, a figure which the salaries of many stars and top studio executives exceeded. For those individuals income tax rates could be as high as 80 or 90 per cent, which meant that in 1941 a star like James Cagney would be able to keep only $70,000 on annual earnings of $350,000.[71] On the other hand, though, if such an individual was not earning this income as straight salary but receiving it instead as part of an investment in a corporation, the individual had the right to present this income as capital gains and be taxed at a rate of only 25 per cent. Forming an independent company or a partnership after 1941 then became the main avenue for stars or top executives to maintain their high earnings and to 'sequester returns from films in investments, deferments and other methods of remuneration than straight salaries.'[72]

Not surprisingly, the Revenue Act of 1941 provided above-the-line talent with even more impetus to enter independent production. As Ernest Borneman put it in an article in *Harper's* magazine, stars, directors and writers were starting their own companies by 'clutching the banner of freedom in one hand and an income tax blanket in the other'.[73] By that time (1946) the number of independents had risen to seventy and the capital gains tax loophole seemed to have created a new type of independent company, the single picture collapsible corporation. Under this configuration, a producer would set up an independent company to make one feature and as soon as that feature was released he or she would dissolve the company and have the profits taxed at capital gains rate before moving into the creation of a new single picture corporation. This system proved very appealing not only for new producers but for established ones as well. In particular, Samuel Goldwyn produced his wartime films through different corporations each time (such as Avalon, Regent, Beverly and Trinity Productions) to exploit the low capital gains rate.[74]

The above developments signalled clearly the fact that top-rank independent production had become an industry-wide phenomenon. Equally importantly, however, they also demonstrated the remarkable adaptability of the studios which retained their control of the industry despite the shift to independent production. When the benefits of this format of film production became clear, the studios were quick to reorganise their production

practices and make way for this type of filmmaking, proving that they were not monolithic organisations steeped in tradition but dynamic business enterprises with the power to adapt to new industry trends.

The End of the War Boon

The rise in independent production continued after the end of the war. Even when the US government repealed the capital gains tax break in 1946 the number of independent companies continued to increase. In the following year an additional twenty new companies joined the independent ranks bringing the total number to ninety. By that time, however, market conditions had started deteriorating. Rising production costs, declining theatre attendances (after a peak in 1946) and the introduction of quotas and other protective measures in various European markets, which resulted in a steep decrease in the films' non-US box office revenues, cast a giant shadow over the future of both studio and independent production.

The studios responded immediately by tightening up operation costs. One of the first items in their agenda was reviewing and, on many occasions, revising the unprecedented deals they had made with independent producers during the war boom. With the studios' gates closing as suddenly as they had opened, a large number of independent producers, especially hyphenate filmmakers (who were more specialised in the creative than the business side of production), found it hard to obtain financing for their films.[75] Consequently, many independent producers were forced to take a step back and sign with the studios as unit producers in order to secure their future. Furthermore, even the normally reliable United Artists was not in a position to support independent production as the company was heading for bankruptcy after years of mismanagement and fierce battles between the partners.

Having lost its distinct identity at the beginning of the 1940s, United Artists had seen most of its key producers deserting the company for the superior resources of other studios (Disney and Goldwyn to RKO, Wanger to Universal), while also failing to attract any major 'hyphenate' filmmakers with the exception of James Cagney (who also left the company in 1948) and Stanley Kramer (who made his presence felt in the post-1948 period). In 1942 United Artists resorted to the extreme measure of purchasing a package of twenty-three films from Paramount to fill in its release schedule for the 1942–3 season. The vast majority of these films, which were bought

for $4.3 million in total, were B-class films, including twelve Hopalong Cassidy westerns that were made for less than $100,000 each.[76]

Besides contributing to the loss of United Artists' prestige as a company that released only the work of top independent filmmakers, the Hopalong Cassidy westerns were also responsible for reversing the company's twenty-four-year-strong sales policy. As they were cheap genre pictures normally destined for the low end of a double bill, United Artists distributed them in blocks, a strategy never before practised by the company. Additionally, United Artists also distributed 'streamliners', light comedy featurettes the duration of which did not exceed fifty minutes (twenty out of the twenty-nine films that producer Hal Roach delivered to the company were streamliners).[77] With complaints about the company's inability to secure the best possible distribution terms for independent films surfacing on a regular basis, it is no surprise that UA was not the top destination for independent filmmakers in the 1940s. It was also the only one of the Big Eight companies to record net losses during the war boom years.[78]

The industry-wide shift to independent production signalled the appropriation of this format of film production by the studios, to the extent that the label 'independent' must be questioned. If the independent producers of the previous decade tried to prevent the total domination of the industry from the forces of oligopoly as well as maximise their share of the profits from their films, then what was the purpose of top-rank independent producers in the post-1940 period? And what was their contribution to American cinema besides supplying theatres with additional prestige-level product when the studios slowed down their production?

As the majority of top-rank independent producers established distribution and financing deals with the studios, there was no doubt that this brand of independence was somewhat different from the one associated with UA in the previous decade and therefore more akin to unit production. As Thomas Schatz put it, on the one hand those were 'filmmakers who maintained their own production units but operated within the physical and administrative purview of [a] studio.'[79] On the other hand, though, the rapid increase of independent producers and especially their penetration of the major studios caused a major shift in the use of film style.

Until the early 1940s, film style was institutional, with many studios characterised by a distinct 'house style' which was the product of a creative interplay of stars, genres and budgets. As the studios decreased their output and started releasing more and more independently produced films, their

distinct house styles started gradually dissipating, while different, individualised film styles were being developed primarily by the 'hyphenate' filmmakers.[80] In only a few years' time studio house styles would disappear completely while this model of independent production would become the dominant model of production in mainstream American cinema.

CONCLUSION

Like in the previous decade independent production in the 1940s succeeded in keeping American cinema away from the threat of standardisation that the films of the studios potentially represented. More importantly, though, in the second phase of mature oligopoly independent production ensured that American cinema would be free permanently from such a threat as it helped strip the major studios of their distinct identities. In this sense, top-rank independent production in the 1940s achieved something

Figure 1.2 At the zenith of independence. James Cagney and his sister Jeanne Cagney in a scene from Cagney Productions' *The Time of Your Life*.

much greater than introducing a marginal 'alternative' cinema or film culture. It laid the foundations for a filmmaker's cinema. Whether these foundations proved solid or not will be one of the subjects of the second part of this book.

Case Study: James Cagney at United Artists
Johnny Come Lately (W. K. Howards, 1943, 93 min.); *Blood on the Sun* (F. Lloyd, 1945, 98 min.); *The Time of Your Life* (H. C. Potter, 1948, 105 min.) – produced by Cagney Productions; distributed by United Artists.

James Cagney was the first major Hollywood star to create his own production company in the 1940s. Although there were other stars during the first phase of the studio period (like Gloria Swanson) who left the studios and formed their own companies in order to gain control of their careers, Cagney was the first one to exploit the specific market conditions that gave rise to the wave of 'hyphenate' filmmakers in the post-1940 years. Together with his brother William, they formed Cagney Productions and arranged a finance and distribution deal with United Artists. Even though it was William Cagney whose name accompanies the word producer in James's films, one can still nevertheless assume that James Cagney was the first major actor-producer in the 1940s.

Cagney had a long and very substantial record of problems with Warner Bros, the company that offered him his first contract in 1930. By 1936 he had left the studio three times after clashes with the studio heads about his salary, the number of films he was contracted to make per year, the quality of his films, the billing of his name, the marketing of his films, and most importantly the stereotypical roles he was given to play. Specifically, in a four-year period (1932–5) Cagney made nineteen films (approximately one third of his entire filmography), which on the one hand established him as one of the major stars in the studio and, eventually, increased his income exponentially. On the other hand, though, Cagney found Warner Bros' (and as an extension Hollywood's) system of mass-production degrading. For, despite the rise in his income and the growth of his stature as a star, his films were still made on the cheap, with little in terms of production values. Regardless of the quality of the productions however, Cagney's films returned profits consistently, making him a particularly valuable commodity for the

studio, which used Cagney films to block-book lesser titles. For that reason, the studio was always ready to accept him back after each walkout and offer him increasingly improved contracts.

By 1939 Cagney was in the top league of star performers with a contract that granted him several powers (produce only A-class films, star in no more than three films per year, participate in his films' profits) and which would have earned him $1,650,000 from salary alone if he saw it to the end, until 1943 (Hagopian, 1986, p. 20). However, despite Warner's concessions, the studio was still trying to enforce on Cagney formulaic stories which highlighted the star's street-smart, tough-guy image as it was established in the early-1930s Warner films such as *The Public Enemy* and *Smart Money* (both in 1931). Desperate to shed this image and to acquire more control over his career, Cagney announced his intention to go independent in 1941 after completing *Yankee Doodle Dandy*, which gave him an Academy Award for Best Actor and enhanced his visibility as a top Hollywood commodity.

Cagney's move to independence coincided with the introduction of the Revenue Act of 1941. As he was the actor with the highest income in Hollywood during that year ($365,000) Cagney was in danger of being taxed on an 80 to 90 per cent rate. His decision to go independent then was also motivated by his desire to reduce his income tax bill as through Cagney Productions he would be able to present his earnings as capital gains and therefore be taxed at a much lower rate.

Although by that time studios like RKO, Universal and Columbia had made a number of deals with independent filmmakers, the Cagneys made a deal with United Artists. Having lost a number of independent producers to the other studios UA was desperate to attract new talent and therefore was prepared to offer finance as well as a distribution contract.

The deal between Cagney Productions and United Artists was for five pictures starring Cagney, and a number of other pictures produced by the brothers. The first money would be provided by the banks and guaranteed by United Artists, while Cagney himself would supply most of the second money, primarily through salary deferrals. UA would put in the remaining of the second money, including funds to purchase properties, and pay the salaries of contractees to Cagney Productions. In terms of distribution, UA would collect a 25 per cent distribution fee (much lower than the industry standard) which would

go down to 10 per cent when a Cagney Productions film grossed more than $800,000. Finally, the production company would be entitled to 100 per cent of the film's profits while the Cagney brothers would not be liable for any debts incurred by Cagney Productions (Hagopian, 1986, p. 25). With such extremely favourable terms it was obvious that United Artists needed Cagney Productions more than the other way round.

The first film by Cagney Productions was *Johnny Come Lately* and it did represent a major departure from Cagney's image as it was shaped by his films at Warner. The star plays a drifter who arrives in a small American town and is persuaded by an elderly newspaperwoman to aid her in her battle against town corruption. Although this narrative premise suggests opportunities for numerous action sequences, the film denies Cagney fans this opportunity, until at least the final thirty minutes. Instead, the narrative focuses on the relationship between Cagney's character and the elderly woman, which is characterised by a barely disguised strong sexual tension. Furthermore, emphasis is also placed on his relationship with two other older female characters, while the narrative does not develop the obvious romantic storyline between Cagney's character and the newspaperwoman's young niece.

For this reason, when the fighting scenes do eventually appear they come as a surprise and seem to be at odds with the rest of the narrative. This is also reinforced on the level of the film's tone and pace which were too slow to 'have survived a big studio' (Agee quoted in Schickel, 1999, p. 130) and which allow the spectator to concentrate on the human relationships rather than the hero's quest. In this respect, when the pace picks up it signals a shift of the narrative's emphasis from the nuances of human relations to the straightforward question of whether the hero will achieve his goal.

Despite this perceptible change in the star's persona, the film was a modest success for Cagney Productions, grossing $2.4 million at the US box office. Critics, however, had mixed feelings about Cagney's break from tradition with the majority giving lukewarm reviews and the *New York Post* suggesting Cagney returned to Warner and make films like *Yankee Doodle Dandy* (quoted in McGilligan, 1975, p. 105).

If *Johnny* was Cagney's cinematic declaration of independence, Cagney Productions' second outing, *Blood on the Sun* (1945), could have

easily been a Warner film. In *Blood* Cagney plays a newspaperman who tries to expose a Japanese secret plan to conquer the United States. This time, however, depth of character and human relations are largely disregarded in favour of an action-driven plot and war-time propaganda. With Cagney's tough-guy persona (accompanied by occasional displays of judo skills) dominating a conventional spy story it seems that the star reneged on his promise to avoid formulaic stories like the ones Warner used to assign to him. His fans, however, welcomed Cagney's return to form, making *Blood on the Sun* the most commercially successful Cagney Productions film, with a US gross of $3.4 million.

It would take three more years for the company to deliver a third film to United Artists. The film was an adaptation of William Saroyan's Pulitzer Prize-winning play *The Time of Your Life*. The film focuses on people from all walks of life who frequent a saloon in San Francisco. Cagney plays 'Joe . . . whose hobby is people', a well-off street philosopher and permanent patron of the saloon who helps the other patrons with their problems, ambitions and desires. The film is organised in a series of episodes that involve Joe and one or more patrons each time, but despite the episodic structure it presents a number of similarities with *Johnny Come Lately*. Specifically, it features Cagney in another role that is radically different from his roles at Warner; it focuses again on the relations between characters rather than on any lineal development of a hero's quest to achieve an objective; and, interestingly, it also features a final section where Cagney is involved in a fight with the film's villain. And as in *Johnny Come Lately* the fighting sequence is at odds with the rest of the narrative which here features Cagney permanently sat on a chair drinking champagne and imparting wisdom.

The film represents the pinnacle of the star's independence. Aside from a stagey aesthetics (a product of a very faithful adaptation that earned the full approval of the playwright) which was against the realist trends of the time, and in direct contrast to the Warner aesthetic, the film was also as close to a family production and business as possible. Besides James and William Cagney, it featured Jeanne Cagney, the star's sister, in a central role, and Edward Cagney, the star's other brother, in the role of the assistant production manager.

The film however proved a major economic disappointment for both Cagney Productions and United Artists, grossing $1.5 million. With

mediocre reviews and with audiences refusing once again to accept a different Cagney persona, *The Time of Your Life* became the last Cagney Productions picture for UA. The company moved back to Warner Bros which was once again ready to welcome the star back and to grant him terms similar to the ones he enjoyed at UA. Ironically, but certainly not surprisingly, the first Cagney Productions film for the studio was *White Heat*, arguably the star's most memorable personification of a gangster. It proved a huge box office hit.

Notes

1. Quoted in Schatz, 1999, p. 341.
2. Gomery, 1986, p. 9.
3. Some historians have claimed that the Patents Company was formed by eleven members (Hampton, 1970, p. 66).
4. Bowser, 1994, pp. 4 and 6.
5. Hampton, 1970, p. 67. For the agreement between MPPC and Eastman Kodak see Bowser, 1994, p. 30.
6. Jenkins, quoted in Izod, 1988, pp. 18–19.
7. Hampton, 1970, p. 67.
8. Aberdeen, 2000, p. 25.
9. Quoted in Bowser, 1994, p. 81.
10. For instance, independent exchanges chose also to supply theatres with entire programmes rather than just individual films, a practice introduced by the General Film Company (Izod, 1988, p. 29).
11. Bowser, 1994, p. 108.
12. According to Izod, *Queen Elizabeth* did not prove successful as a road show prestige film, though Zukor made profits from the exploitation of the film in the states rights market (1988, p. 36).
13. According to Tino Balio block booking was used in the industry before Paramount's emergence but never as effectively and swiftly as Zukor used it (1976, p. 10).
14. Hampton, 1970, p. 172.
15. Balio, 1976, p. 11.
16. Lewis, quoted in Koszarski, 1994, p. 73.
17. Balio, 1976, p. 13. This statement was signed by Chaplin, Pickford, Fairbanks, Griffith and William S. Hart. By the time the company was incorporated in April 1919, Hart had pulled out.
18. Balio, 1976, pp. xiv–xv.
19. Schatz, 1996, p. 11.
20. Quoted in Balio, 1995, pp. 179–80.

21. For a discussion of prestige-level pictures in the 1930s, see Balio, 1995, pp. 179–211.
22. This description applies to producers like Goldwyn, Selznick and Wanger but does not apply to Chaplin or Pickford who were producing films irregularly.
23. Izod, 1988, p. 126.
24. Gomery, 1986, p. 173.
25. The figures are taken from Koszarski, 1994, p. 9, Crafton 1999, p. 258 and Balio, 1995, p. 7.
26. Gomery, 1986, p. 13.
27. Balio, 1976, p. 66.
28. Table 1.1 was compiled with data available in Balio, 1976, pp. 246–252.
29. The remaining forty-four were produced by non-American – especially British – production companies.
30. According to Balio, United Artists picked up for distribution about twenty-five films of dubious quality between 1928 and 1933 in order to increase the number of its yearly releases, which nevertheless remained well below the industry average throughout the 1926–39 period (Balio, 1976, p. 132).
31. Some of these problems included: the studios' battles over which sound system would be adopted by the industry; the upgrading of their production facilities; and the wiring of the theatres for sound.
32. The film was Goldwyn's *Two Lovers* and was released on 2 August 1928. *The Jazz Singer* opened on 6 October 1927 (Crafton, 1999, p. 211).
33. Schatz, 1996, p. 125.
34. The figure is taken from Gomery, 1986, p. 125.
35. Schatz, 1996, p. 127.
36. According to Matthew Bernstein, Paramount was the first one to initiate unit production, in 1926–7, as a response to the growing success of Loew's (MGM) which had started outperforming Paramount (Bernstein, 1993, p. 43).
37. The figures are taken from Schatz, 1996, p. 159.
38. The figure is taken from Schatz, 1996, p. 159.
39. For an elaboration of the benefits of the shift from central producer to the producer-unit system, see Benrstein, 1994, pp. 95–6 and Balio, 1995, pp. 75–6.
40. Some of these producers who were heading, for various periods of time, their own units were Frank Capra at Columbia; Busby Berkeley, Mervyn LeRoy and Henry Blanke/William Dieterle at Warner; and Ernst Lubitsch, Joseph Von Sternberg and Cecil B. DeMille at Paramount.
41. Bernstein, 1993, p. 44.
42. Bernstein, 1993, p. 44.
43. For an account of the JayPay Productions, see Bernstein, 1994, pp. 93–113. For details about the problems that *The President Vanishes* encountered with Paramount and the Production Code Administration, see Bernstein, 1994, pp. 97–102.

44. Bernstein, 1993, p. 47.
45. Having lost one of its most active producers (and president of the company), Joe Schenck, whose production outfit 20th Century Pictures merged with Fox in 1935, and despite signing David O. Selznick and Alexander Korda, United Artists was still in desperate need of quality product. Walter Wanger, who had huge experience both as an in-house independent and as a unit producer, was a very appealing solution to provide the three to five additional films per year the distributor needed, which explains why the venture was financed by United Artists (see Bernstein, 1994, p. 115 and Balio, 1976, pp. 138–40).
46. Balio, 1995, p. 105.
47. Finler, 2003, p. 364.
48. Crafton, 1999, p. 190.
49. Balio, 1995, p. 15.
50. Bernstein, 1993, p. 45.
51. According to Balio, despite its relatively marginal position in the industry, United Artists ranked third in terms of the companies who distributed the most prestige pictures in the 1930s (Balio, 1995, p. 205).
52. According to Aberdeen, top-rank independent producers perceived of the double bill as 'the stepchild of block booking' (2000, p. 69).
53. Schatz, 1996, p. 406.
54. Balio, 1995, p. 107.
55. Bordwell et al., 1985, p. 5.
56. The only studio not to open its gates to independent producers in the 1940s was MGM.
57. The figure of $20 million is taken from Balio, 1995, p. 211. According to Joel Finler the film recorded approximately $31 million in rentals, which means that its gross was in the region of $60 million (Finler, 2003, p. 356).
58. The figures are taken from Gomery, 1986, pp. 34 and 52.
59. The figures are taken from Finler, 2003, p. 364.
60. Schatz, 1996, p. 187; Balio, 1976, p. 112.
61. Schatz, 1999, p. 48.
62. The figure is taken from Aberdeen, 2000, p. 62.
63. Staiger, 1983, p. 70.
64. Schatz, 1999, p. 46.
65. Schatz, 1999, p. 27.
66. For further figures and statistics about employment and salary averages during the war period, see Schatz, 1999, pp. 134–5.
67. Finler, 2003, p. 364.
68. *Sergeant York* and *The Bells of St Mary* were the number one box office hits in their respective year of release. See Finler, 2003, p. 357.
69. For a detailed discussion of this method of financing see Sanders, 1955, pp. 380–389.
70. Sanders, 1955, p. 381.

71. Schatz, 1999, p. 181.
72. Quoted in Hagopian, 1986, p. 22.
73. Quoted in Aberdeen, 2000, p. 133.
74. Schatz, 1999, p. 182.
75. Schatz, 1999, p. 346.
76. The figures are taken from Balio, 1976, p. 188.
77. Balio, 1976, p. 174.
78. In 1944 the company showed $0.3 million net losses while during 1942, 1943 and 1945 it recorded meagre profits, which never exceeded the $1 million mark (Gomery, 1986, p. 175).
79. Schatz, 1999, p. 56.
80. Schatz, 1999, p. 82.

2

INDEPENDENT FILMMAKING IN THE STUDIO ERA: THE POVERTY ROW STUDIOS (1930–50s)

> Not everybody likes to eat cake. Some people like bread, and even a certain number of people like stale bread than fresh bread.
>
> Steven Broidy, chairman of Monogram Pictures[1]

INTRODUCTION

The above statement by the once president and chief executive officer of Poverty Row outfit Monogram Pictures represents an appropriate introduction to a different form of independent filmmaking during the studio years: low-end independent production, which, in Broidy's analogy, is represented by the phrase 'stale bread'. The analogy seems apt. If one accepts that the films of top-rank independent producers and the studio prestige productions represent American cinema's 'cake', and the standard studio film production corresponds to its 'bread', then films from studios like Monogram, Republic, Grand National, PRC and a large number of other smaller companies certainly represent American cinema's 'stale bread'. In other words, they represent film production of a particularly low quality and cheap look that could never be confused with the top-rank product examined in the previous chapter. For instance, according to film historian Wheeler Dixon, the key features of Monogram films were 'shoddy sets, dim lighting restricted mostly to simple key spots, non existent camerawork and extremely poor sound recording', elements far removed from prestige-level independent production or studio filmmaking.[2] Even the most successful financially and 'artistically' Poverty Row studio in the 1930s and 1940s, Republic Pictures, was widely known by industry practitioners as 'Repulsive Pictures'.[3]

Despite the lack of quality and the absence of production values, however, low-end independent production represents a less controversial form of independent filmmaking. This is because the ties with the major studios that top-rank independents like Selznick International Pictures enjoyed did not exist for companies like Grand National and Producers Releasing Corporation. These companies operated completely 'independently' to the majors, producing their films in their own studios (or in hired soundstages), releasing them through self-owned distribution networks (or through the states rights system) and exhibiting them in small independent theatres located mainly in the neighbourhoods of big cities, small towns and rural areas. With the majors concentrating on servicing primarily the lucrative first- and second-run theatre market in the large metropolitan cities, a large number of independently owned theatres, which could not afford to buy the majors' films, found themselves in need of product.[4] As these theatres traditionally supplied only a fraction of the industry's box office revenues, the studios could afford to leave them to the competition. In other words, these independent companies operated in the shadow of the studios but outside their sphere of influence and as Flynn and McCarthy put it, '[they] stepped in to garner the miniscule profits that the majors shunned.'[5]

The history of low-end independent filmmaking during the time of the domination of the film industry by the studios can be divided also into two distinct periods. The first one covers the years of the Great Depression, particularly from late 1930 to 1939. During this period, low-end independent production was actively encouraged by the industry as the introduction of the double bill created far greater demand for product than the major studios could handle. Companies like Monogram, Republic and Grand National were formed to exploit those buoyant conditions and, along with the studios' B units, supplied theatres with cheaply made films, mainly for the bottom half of double bills. The second period covers the 1940s and the early years of the 1950s. During these times, the studios gradually phased out their B film production, to the extent that the Poverty Row companies (as the low-end independents were also known) became the sole providers of low-cost films to the US theatres.[6] As the market for low-budget productions started declining in the mid-1940s, a small number of companies like Monogram and Republic ventured into A-class and prestige-level production with Republic even scoring a major Academy Award for one of its productions (an Oscar for Best Direction for John Ford's *The Quiet Man* [1951]).

Besides the films produced and distributed by the Poverty Row studios, low-end independent production was also characterised by a significant number of films made for various ethnic audiences. This type of film production was practised completely outside the borders of the American film industry and was exemplified by films that cost just a few thousand dollars to produce, with money raised directly from private investors or from the members of the ethnic communities the films targeted. The final section of this chapter discusses the phenomenon of the ethnic film.

THE FIRST PERIOD (1930–9)

Although low-end independent production existed in the periphery of the film industry from the days of the Patents Company, it nevertheless represented a far too marginal phenomenon to merit detailed examination. With companies being formed and dissolved almost overnight, sometimes making only one film before slipping into obscurity, and with the vast majority of these second-rate films lost forever, the field of low-end independent production prior to the introduction of sound is akin to a vast cemetery with a huge number of short-lived production companies and films buried inside.

In many respects it was the introduction of sound that proved to be the catalyst in shaping the field of low-end independent production. As all these companies were very small and under-capitalised, very few of them were in a position to afford the substantial costs of the transition to sound. Even those companies who attempted the transition had to utilise 'inferior "bootleg" sound equipment' which meant that their films paled in comparison to the superior sound of the films made by major studios and top-rank independents.[7] As a result, these films were booked only in small, grind-house circuits and returned a very modest profit to their production companies, if any at all. Still, a small number of such companies managed to survive and become an integral part of the American film industry after the introduction of sound, despite the adverse economic climate created by the Great Depression.

Perhaps the key factor that explains the survival and relative longevity of companies like Monogram and Republic in an era otherwise dominated by the Big Five and the Little Three is the introduction of the double bill scheme in US theatres in late 1930. The scheme, which had

been in operation in the subsequent-run market in as early as 1915 and which entailed the presentation of two cheaply made films (normally westerns) for the price of one, was introduced to the more upmarket theatres as a measure against decreasing cinema audiences.[8] In its new guise, the post-1930 double bill still entailed the presentation of two films for the price of one, but this time the two films were of a different description. On the one hand, there was the main attraction, the film that received top billing. This was normally a well made, standard studio production or (on some occasions) a prestige-level studio or independent film. Because of its position on the billing this type of film became known as the A film. On the other hand, there was the film that received the bottom billing. This was normally a low-budget picture made by specific studio units specialising in efficient, no frills production or a low-budget film made by independent companies away from the studios. This type of film was known as the B film. In other words, the labels A and B were attached to films because of their position in the billing and not because of their quality, despite the fact that on most occasions B films were of a lesser quality than the A films.[9]

The success of the scheme was instant. By mid-1932, a year-and-a-half after its introduction, 6,000 houses (approximately 40 per cent of the nation's theatres) had adopted the double bill, while many exhibitors went as far as showing triple bills. By 1935 it was estimated that about 85 per cent of US theatres made regular use of double features.[10] This overwhelming success created a staggering demand for films which the studios were in no position to meet, especially at a time when they had to cut down their own production schedules as the Depression had started hitting the industry in late 1931. Equally, the handful of top-rank independents that existed in the early 1930s could contribute only a fraction of the extra product needed. Not surprisingly then, the early 1930s witnessed the birth of an impressive number – for a Depression-ridden industry – of film companies which were formed to exploit these specific conditions. Additionally, a number of small companies that had been formed in the mid- and late 1920s and had been struggling financially ever since found a new *raison d'être* in late 1930. According to Lary May between 1929 and 1934, the number of (low-end) independents almost doubled (from fifty-one to ninety-two).[11] Besides Republic and Monogram, the two best known independents, which were formed in 1931 and 1935 respectively (and which are discussed later), other such companies included Tiffany-Stahl, Mascot,

Syndicate Pictures, Majestic Pictures, Supreme Pictures, Invincible Pictures and many others.

As none of these companies had the capitalisation of the studios they could never pose individually any real threat to the established forces in the film market.[12] Together, nevertheless, they were responsible for a substantial percentage of the product that serviced the lower part of the double bills, especially in small towns and rural areas. In order to prevent further penetration of the market by those new independent companies the studios, with the support of top-rank independents, decided to take certain measures. The most important one was their attempt to put an end to the inflated demand for films that the double bill had created by making the scheme illegal. The opportunity to achieve that formally was presented in the form of the Code of Fair Competition for the Motion Picture Industry that the MPPDA was drafting on behalf of the studios as part of President Roosevelt's National Recovery Act (NRA) of 1933. Upon the studios' request the MPPDA used the Code to outlaw the exhibition practice of the double bill and therefore bring the demand for films down to 'normal' levels.

The low-end independents, however, fought hard against the measure that would not only drive them out of business but that could also question the ability of a large number of small exhibitors that depended on the double bill to survive. Although these exhibitors became an important ally to the independents, it was the cinema-going public, which was overwhelmingly in favour of retaining the three-hour, two-movie-for-the-price-of-one-admission programme during the worst years of the Depression that proved to be the catalyst. Thus, in August 1934 the NRA's Code Authority proceeded in legalising the double bill by ruling that the major studio-distributors could not stipulate contractually the terms of exhibition for their films.

The news had far-reaching consequences. Liberated from the pressure of the studios, the vast majority of independent exhibitors embarked on a programme of full implementation of the double bill practice. This resulted in the creation of stable conditions for the market of low-budget films and the Poverty Row studios were ready to exploit these conditions fully. Only two months after the legalisation of the double bill Monogram announced that it was looking into ways of increasing its output from twenty to thirty-six features and from eight to sixteen westerns for the following year (an increase of 85 per cent), while other companies were exploring similar options.[13]

Monogram Pictures

By 1935, Monogram Pictures had emerged as a clear leader in the sector with an output of thirty-two films in 1932–3 (sixteen features and sixteen westerns), thirty-six films in 1933–4 (twenty-eight features and eight John Wayne westerns) and twenty-eight films in 1934–5 (twenty features and eight John Wayne westerns).[14] The company was the latest incarnation in a series of production-distribution outfits established by W. Ray Johnston and Trem Carr, starting with Rayart in 1924 and continuing with Continental Talking Pictures and Syndicate Film Exchange before finally establishing Monogram in 1931.[15] In the early months of that year Johnston and several states rights film exchange owners formed a cooperative organisation, not unlike the one created by First National in 1917.

As franchise holders in Monogram, each exchange owner would buy stock in the company and contribute proportionally to the production costs of each Monogram film. In return, they would participate in the small but seemingly certain profits the company would make, especially as its distribution network was expanding outside the US (where the company was represented in thirty-nine key territories) to cover Britain (through a deal with Pathé) and Canada (through a deal with Empire). With production funds increasing from $1 million in 1932–3 to $3 million in 1933–4 (an average of approximately $100,000 per film), Monogram quickly found itself ahead of the competition when most of its rivals were producing at most ten films per year.[16] Monogram's main advantage over the other low-end independents was its distribution arm which enabled the company to retain a larger part of its film rentals. In order to sustain the costs of maintaining a distribution apparatus, Monogram had to produce a large number of films per year (over thirty), which resulted in the company's quick establishment in the low-end independent market.

As early as April 1933, Monogram executives had already been planning to exploit the company's position in the market by proceeding to the consolidation of a small number of independent companies 'into one organisation large enough to challenge the biggest of existing producing and distributing organisations.'[17] With the question of double bill still not settled, however, Monogram decided to put these plans on hold. When the NRA legalised the scheme Monogram was ready to play the corporate game. By that time, though, other companies had seen the potential for profits from the low-budget market and were moving in from outside the

sector, while existing Poverty Row companies, including Monogram, had started feeling the effects of the Depression themselves which made them much more open to the idea of potential mergers with and takeovers by other companies.

Republic Pictures

Consolidated Film Industries was one of the companies that moved in from outside the sector. Owned by Herbert R. Yates, Consolidated had been (under various names) the largest film developing and printing company in Hollywood since the late 1910s. It had functioned also as a lender to many film production companies, which allowed Consolidated to control their printing contracts. In March 1935, Consolidated foreclosed on loans to small independents like Chesterfield Motion Pictures and Majestic Pictures and then merged the two and renamed them Republic Pictures. Immediately after, Republic proceeded to a merger with Liberty Pictures, Mascot Pictures and Monogram (which was happy to take a back seat despite its leadership in the market).[18] The new company, which retained the name Republic Pictures, combined the individual strengths of the companies from which it was created and immediately found itself in pole position for dominating the low-end independent market. Specifically, it combined Monogram's established nation-wide distribution network and its expertise in the production of westerns (a staple of the low-budget market as the majors did not produce westerns for most of the 1930s) and Mascot's reputation for quality and its leadership in the market for chapter plays (serials) where it was competing on an equal level with Universal.

The new company made its mark immediately. In September 1935, it released *Tumbling Tumbleweeds* (Kane), a 'singing cowboy western' featuring recording artist Gene Autry in one of his first roles. Made on a miniscule budget of $18,000, the film proved massively successful, grossing in excess of $1 million at the US box office.[19] More importantly, *Tumbling Tumbleweeds* became the first in a large number of such films (starring Autry and, later, Roy Rogers), which proved extremely popular with small-town and rural audiences and contributed substantially to the company's profits throughout the years. Republic also continued Mascot's tradition by releasing quality serials which cost between $50,000 and $100,000 but could potentially return more than $600,000 as each of the serial's twelve chapters was sold for $5 a time in more than 10,000 theatres.[20]

Figure 2.1 The Singing Cowboy. Gene Autry's popularity helped Republic Pictures establish a dominant position in the low-end independent market.

Republic's auspicious start, however, was shadowed by management problems. Within two years from its establishment, four of its top executives had resigned from the company, including W. Ray Johnston who revived Monogram after attracting new franchise holders in a new cooperative, and M. H. Hoffman who revived Liberty Pictures.[21] Despite the resignations and the extra competition it faced from its former executives, Republic continued to dominate the low-end independent production field for the rest of the decade with allocated production funds reaching the $9 million mark in 1940 and a release schedule of sixty films per year, which was comparable to the schedules of companies like Universal and Columbia.[22] One could only wonder whether Republic Pictures would have been in a position to eventually give the majors a serious challenge, had the merger been successful.

The re-emergence of Liberty and Monogram clearly demonstrates the existence of a substantial market for this type of production. As an increasing number of theatres were adopting the double bill, independent companies started producing more and more films while new companies entered the low-budget film arena. Along with Republic and Monogram, the other key independent in the second part of the 1930s was Grand National Films (GN). Despite its short life span and its origin in Poverty Row, GN attempted to transcend its status and compete aggressively with the major studios.

Grand National Films

The company was established as an independent distributor by Edward L. Alperson, an ex-film exchange manager, in the spring of 1936. Modelled on United Artists but with some production funds available from Pathé and a private investment firm, Grand National was to distribute independently produced films that it would co-finance with the individual films' producers. Within seven months from its inception, GN had already released ten films, most low-budget productions aimed at the bottom half of double bills. However, the company's potential for growth did not remain unnoticed in Hollywood, especially when rumours surfaced that Dupont (one of the richest corporations in the US) was Grand National's secret bankroller.[23]

The major studios' fears that GN had the potential to become the sixth fully vertically integrated major and therefore challenge openly the status

quo seemed to take shape when the company signed James Cagney after one of his frequent walkouts from Warner due to contract disputes. With no studio or top-rank independent willing to poach him for fear of breaking diplomatic relations with Warner Bros, Grand National, which operated outside the studio system, stepped in. The company offered Cagney a one-picture-a-year deal, an agreement vastly different from the one he had at Warner where the star was making three to four pictures per year. Cagney's presence at GN gave the company a different, more upmarket status as no big stars were ever allowed to work for low-end independents (the studios believed that participation in such films would degrade irrevocably the value of their performers). Cagney's first film, *Great Guy* (1936), was relatively successful but did not do the business GN hoped for. Besides the fact that it was a poor imitation of the pictures Cagney was making at Warner, the film's commercial potential was further damaged by poor distribution, perhaps the product of informal collusion by the studios, which were in a position to make their first-run theatres unavailable for the film.[24]

Although the next film GN was planning with Cagney was *Angels with Dirty Faces*, Alperson decided on a different project, a musical-comedy with the title *Something to Sing About*. The film represented a huge financial gamble for the company as it was budgeted at $900,000 and anchored all the other GN releases for the 1937–8 season. The production was plagued with problems which resulted in further costs that the company had trouble covering. The film which, according to Patrick McGilligan, was an 'attack by Cagney on Hollywood, "show people" and the entire movie star syndrome', lacked again in terms of production values and look.[25] Furthermore, like *Great Guy*, *Something to Sing About* also encountered problems with distribution. This time, however, GN had invested far too much capital to make a profit or even recoup its investment. The company recorded a hefty loss from which it never managed to recover, especially after Cagney left independent production and returned to Warner before materialising plans for a third film. Ironically, his first film after his return to the major was the massively successful *Angels with Dirty Faces*, the rights for which Warner had purchased when GN dropped its plans to make it with Cagney. With the star gone, GN scaled down production (in the region of twenty low-budget films per year) but continued to experience economic problems. A year later, the company merged with Educational Films, a producer of short subjects (including animated shorts starring Felix the Cat), but a few months later went bankrupt.

Grand National's failed experiment to compete with the established powers along with Republic's unsuccessful attempt to shun its Poverty Row image clearly demonstrate that low-end independent production was a completely different concept from top-rank independent or studio production. One could argue then that Poverty Row outfits were responsible for a type of cinematic practice, characterised primarily by a cheap-looking aesthetic, which was markedly different from the practice of mainstream, studio-produced cinema. Although such an argument has substantial merit, what complicates matters is that the studios themselves had specific production units that also specialised in quick, efficient and cheap film production mainly destined for the bottom half of double bills. As a result, a large number of these studio films were produced on a similar economic basis and for the same reason as the films made by Poverty Row studios. Consequently, the studio-produced B films might share a similar aesthetic with films from Republic, Monogram and the rest, a position that would suggest that the films from the Poverty Row studios were 'independent' only because they were produced outside the studio system and not because of any formal differences from B studio production.

Independent B Films vs Studio B Films

The labels B and Poverty Row are not synonymous. According to Brian Taves, B films were of such a wide variety that grouping them under one, extremely large, category and assuming that all films included were of a similar budget or of a similar aesthetic would be to oversimplify a particularly complex phenomenon. He explains:

> Conceptions of the B movie varied widely. Even among the majors the budget for B pictures often diverged by $100,000 or more. There is no budget or production schedule typical of all B's because of the wide variations among the different companies . . . [t]he same schedule and budget that resulted in a high-quality B at Paramount or MGM might approximate the investment for an A at Columbia and Universal.[26]

If the B film was practised by different companies in different ways, it could be argued that the Poverty Row studios (which produced only B films) practised this type of filmmaking in a different manner from the

studios. Indeed, Taves proposes four different categories of B film presented in descending order of prestige:

(1) major studio 'programmers'
(2) major studio B's
(3) smaller company B's and
(4) the quickies of Poverty Row.[27]

Although Taves here reserves the term Poverty Row for truly low-budget companies like Astor and Weiss (in his article 'The B Film: Hollywood's Other Half' he uses the term Poverty Row to refer to companies in both categories 3 and 4),[28] what becomes obvious from his taxonomy is that before any important qualitative differences come into play, B films are divided between the more prestigious, studio-produced B's (categories 1 and 2) and the considerably less prestigious, often disreputable, non-studio/independently produced ones (categories 3 and 4).

What differentiates the above two broader categories is the level of prestige attached to the films and, less obviously but equally importantly, the audience that is associated with each category. In terms of the first difference, studio programmers and B's mobilised substantial studio resources and capital as they represented the majors' efforts to reduce overhead costs by utilising the large numbers of actors, staff and crew that were on their payrolls on long-term contracts. For instance, Fox's B unit spent $6 million per year for the production of twenty-four films ($150,000–$200,000 per film on average).[29] Furthermore, the studios were not in a position to take the production of their B programme lightly as their reputation depended on both the A and the B films they released.[30] Additionally, the studio B's and programmers were chosen sometimes for the top half of double bills (depending on the type of theatre they were exhibited in), which made them the main attractions for cinema-goers and therefore films expected to be of unquestionable quality. For all those reasons and despite the smaller budgets and the relative lack of glamour in comparison to the A films, studio-produced B films were still visibly mainstream Hollywood pictures, refined productions that their makers could be proud of.

Poverty Row firms, however, produced only B films (at least in the 1930s) with no pretension to quality. Although there were film productions on which companies like Monogram and Republic spent more money than on other types of films, the budgets rarely exceeded the $100,000

mark even for their most 'prestigious' productions. Filmmakers in Poverty Row studios certainly desired the creation of solid films; their filmmaking practice, however, obeyed some very specific and incontestable rules, where quality and aesthetic ratification were not in the list of priorities. These rules included:

1. Completing the film within inflexible shooting schedules, which often did not exceed a working week (six days) and which could entail up to eighty camera set-ups per working day.
2. Bringing the film in on a miniscule budget that often did not allow for more than one take per shot, regardless of the take's quality. For companies whose profit was usually a few thousand dollars per film, going over budget (or over schedule) might have made the difference between profit and loss.
3. Developing stories from inside the company (as purchasing rights to pre-sold properties would drive production costs up); on rare occasions when rights were cheap and/or were in the public domain Poverty Row studios would proceed in such purchases.
4. Producing a very large number of outdoors pictures (especially westerns) as they required minimal studio work which meant that they could be produced on extremely low-budgets.[31]

In the final analysis, John Tuska argues, '[t]here were two very distinct ways of approaching a motion picture, one where all questions and problems and all energies answered first and last to the budget, the other where the final product itself, the motion picture, took precedence.'[32] Poverty Row studios in the 1930s approached filmmaking only in the first way.

Besides their difference in terms of the prestige they carried, studio B's and Poverty Row films were further differentiated in terms of the audiences for which they were made. This is arguably a fundamental difference for a position that sees films from the Poverty Row outfits as part of an alternative type of cinema to the mainstream studio product. Specifically, studio B's were channelled by their respective distributors to first- and second-run, studio-owned and affiliated theatre circuits, aiming therefore at reaching the widest possible audience that – by definition – the studio A films were produced for. As these theatres were concentrated in large metropolitan areas, studio A's and B's were aimed primarily at adult urban audiences who were considered more sophisticated than the audiences in

small towns and rural areas.[33] As a result, and despite their differences from A films, studio programmers and B's generally did not stray too far from the rules of classical narrative construction (cause-effect logic, character motivation, and so on) that exemplified studio production since the mid 1910s.[34]

On the other hand, the B's of Poverty Row were distributed to a large number of independent exhibitors, which, according to Steven Broidy (Johnston's successor at Monogram), were 'receptive' to the type of product Monogram and the other Poverty Row studios offered.[35] In these theatres, the low-end independents had the opportunity to target audiences which were different from the urban, middle-class cinema-goers who patronised the first-and second-run theatres. These audiences included smaller demographics, such as lower classes and ethnic immigrants as well as children and juveniles for Saturday matinée shows.[36] Furthermore, the independents tapped on a largely unconstituted urban audience in the American Southern states, which visited cinemas primarily on Saturday nights in search of singing cowboy westerns starring country music stars.[37]

One common element that all those demographics shared was that they were not interested in 'classically structured' narratives that characterised studio films. Instead, they were interested in action, thrills, pace, adventure, spectacle, stunts and any other exciting element that could contribute to an 'emotional rollercoaster' type of film entertainment. As a result, and despite their very limited resources, Poverty Row studios tended to emphasise these elements often to the detriment of classical cinema staples such as 'coherence, mood and characterisation' that exemplified studio-produced A's and the majority of B's.[38] This is particularly noticeable in comparisons between serials (particular types of pictures for the very specific audience of matinées) made by Republic/Mascot and its rival Universal. According to Jon Tuska, on the one hand the serials produced by Mascot were characterised by relentless action (as much as possible per episode), while not being very 'long on [narrative] logic'. On the other hand, Tuska argues, Universal's chapter plays 'tended to stress story as much as action', making them more suitable for a more sophisticated audience that could appreciate narrative pleasures as well as thrills.[39]

Wheeler Dixon reaches a similar conclusion in his discussion of the films by Producers Releasing Corporation when he argues that in Poverty Row 'everything is immediate, vicious, do-or-die. All dialogue is reduced to motivation, rather than speculative analysis by the characters . . . films

are work of the moment, operating on the level of the protagonists, *of* their world.'[40] Finally, the case study of this chapter demonstrates that the Charlie Chan series made at Monogram (1944–9) were indeed characterised by a cheap look and an emphasis on immediacy, pace and thrills, while the Charlie Chan series made as B's at 20th Century-Fox (1931–42) were characterised by a comparatively lavish production design and with a primary stress on story construction.

One could argue then that Poverty Row films represented an alternative practice that went against the mainstream classical cinema of the studio system. Although this was particularly evident in the films by the smaller independents (category 4 in Taves's taxonomy), which 'offer[ed] an aesthetic problem in the paradigms of classical Hollywood cinema',[41] it also permeated the films of larger Poverty Row outfits. This type of independent cinema performed an extremely significant social function: it promoted a more accessible and, ultimately, more inclusive American cinema which embraced audiences from the lower strata of society (and as we see later from different races and ethnicities) whose limited consumer power had placed them at the bottom of the studios' customer list. In departing from the rules of classical filmmaking, low-end, non-studio production presented a cinema that was less bound by established rules, which justifies the term 'independent', in the same way that production of films outside the studio system lends to that label.

Case Study: Charlie Chan at Monogram
Charlie Chan in the Chinese Cat (Phil Rosen, 1944, 65 min.), produced and distributed by Monogram Pictures.

Charlie Chan is a Chinese-American detective who was introduced to the literary world in January 1925 by author Earl Derr Biggers in his novel *The House Without A Key*, published in instalments in the *Saturday Evening Post* (1925). Following the success of this novel Biggers wrote five further novels before he died of a heart attack on 5 April 1933.

Only a year after its publication, Pathé adapted *The House without a Key* to a ten-chapter serial with Japanese George Kuwa in the eponymous role. This was followed by a Universal film of the second Biggers novel, *The Chinese Parrot*, in 1927, this time with Japanese Kamiyama

Sojin in the role of Chan. Although neither project was particularly successful, the Fox Film Corporation decided to adapt the third novel, *Behind that Curtain*, as a vehicle for one of its stars, Warner Baxter. The film was released in 1929 with the British E. L. Park in the role of the detective. Besides the fact on all three occasions Chan was played by a non-Chinese actor, what was interesting in all three productions was that Chan was a secondary, even marginal, character, especially in the Fox film, where he appears only in the end of the film.

These three early entries did not connote any particular cinematic future for Biggers' literary creation. However, in 1931 Fox purchased the rights for the next two Chan novels, *The Black Camel* (1929) and *Charlie Chan Carries On* (1930). By that time the studio had started responding to the needs of a double bill market and developing long-lasting series was perceived of as one particularly efficient way of producing cheap product. Biggers' novels represented the possibility of a potentially successful series as they were pre-sold properties and had clear generic qualities. For the role of Chan, the Fox producers cast Warner Oland, a white actor who had nevertheless played 'oriental' characters in a large number of 'yellow peril' films before the 1930s (including playing the role of evil Dr Fu Manchu in three films made at Paramount).

As with the previous offers, *Charlie Chan Carries On* (McFadden, 1931) featured the eponymous character once again in a small role. However, this time Oland's warm portrayal of the detective made him a hit with audiences. For the second Charlie Chan offering, *The Black Camel* (McFadden, 1931), Fox put Chan at the centre of the narrative and that change became the cornerstone of a formula which would last for ten years.

The Charlie Chan films at Fox were B films but were produced in a relatively lavish style. For instance, *The Black Camel* was shot on location in Honolulu, while *Charlie Chan at the Opera* (Humberstone, 1936) featured an original short piece of opera composed specifically for the film. Furthermore, it was not unusual for Fox to cast famous character actors in major or minor roles, like Boris Karloff and Ray Milland who, of course, cost more money than other less-known studio contractees. The budgets for the Fox films were in the region of $200,000 per film (Hanke, 1989, p. 169) and the shooting schedules fluctuated between three weeks and a month.

Fox's attention to the production of the series certainly paid off as certain Chan films grossed more than $1 million each, a sum normally associated with the box office performance of A films (Taves, 1995, p. 317). This means that despite their status as Fox programmers or B's, the films drew A film audiences. For that reason Chan films were exhibited in the first-and second-run theatres where they had the opportunity to record grosses of that level. Furthermore, unlike other Fox films made by its B unit, the Chan films were distributed on a percentage basis which meant that Fox could capitalise on their popularity (Taves, 1995, p. 337). Until 1934, Fox released on average two Chan films per year. From 1935 onwards (as the double bill was legalised and the series had taken off) Fox upped its releases to three films per year until Oland's death in 1938.

Sidney Toler, another white actor, was selected to replace Oland as Chan. One key difference from the films of his predecessor was that Toler's performance tended to bring about more humour from the situations Chan found himself in, while also developing a slightly more sarcastic approach in his conversations with his children and with potential suspects in the cases he investigated. The series was changing direction, privileging scenes with comic potential over a tightly structured plot. This was also reflected at the speed with which Chan films appeared in the market. At that time Fox was producing the series at a much faster pace, averaging four Chan films per year for 1939 and 1940 (though the shooting schedules remained in the region of three weeks). However, despite the effort to retain quality, the series started losing its popularity. Fox reduced the number of films after 1940, offering two in 1941 and one in 1942, before dropping the series after eleven years and twenty-seven films.

On hearing the news that the studio decided to discontinue the series, Toler, who had bought the rights to the character of Charlie Chan, approached Monogram. The low-end independent had just started making cautious steps towards a slightly more upmarket production and agreed to revive the series. James S. Burkett and Philip N. Krasne, unit producers for the company, undertook the production of the series. Director Philip Rosen and screenwriter George Callahan completed the unit which would produce the first five Chan films for Monogram, starting with *Charlie Chan in the Secret Service* in February 1944.

The differences between the Fox and Monogram Chan films were decidedly noticeable. With budgets dropping from $200,000 to $75,000

per film (Hanke, 1989, p. 169) and production schedules shortened from a month to a week (*Charlie Chan in the Chinese Cat* was produced between 11 and 19 January 1944), Monogram's approach to the production of the series proves that there was a huge difference between a studio B film and a film from even one of the better Poverty Row outfits.

The Monogram look of 'shoddy sets, dim lighting and non-existent camera work' is clearly evident in *Charlie Chan in the Chinese Cat*. In the film, there are at least three instances of perceptible, that is, obtrusive, camerawork and editing that are certainly not motivated by the narrative (the most obvious of these takes place in the scene that introduces the hideaway of the gang of thieves where a dissolve that consists of a fadeout and two different shots that fade in simultaneously confuses the spectator). Furthermore, there are (supposedly) exterior scenes that are covered in thick fog to hide the sparse setting, while a number of scenes take place in a dark warehouse that requires minimal lighting and no props.

Despite all these 'flaws' however, there is one occasion when the film transcends its cheap look and presents a particularly unusual, and admittedly beautiful, composition. In the scene where Chan and his assistants Tommy Chan and Birmingham Brown go to the dark warehouse to look for Deacon, they are faced with his dead body, half-hidden in the darkness. A few moments later the film cuts from a shot of Chan to a shot of the three men's silhouettes against the wall. The shot is not motivated by anything in the narrative and does not resemble any other shots in the film. Equally, it should not be seen as an auteurist statement as Phil Rosen has not employed any similar shots in other Charlie Chan films. A plausible explanation would be that the shot was created to hide the sparseness of the set (we tend to see the characters in medium shots which means that we see only the walls of the set). As more of this type of shot would certainly distract from the story, it stands alone as an artistically motivated shot that was nevertheless inspired by a pragmatic and practical necessity, the lack of setting.

Besides its problems with visual style, the film presents major 'flaws' in the narrative. The main flaw revolves around the book written about the murder of Thomas Manning, in which the author supports that Manning was murdered by his wife and that the detective handling the

case withheld evidence because he was having an affair with the stepdaughter of the deceased. This claim constitutes the main turning point for the narrative as it is the imminent publication of the book that motivates Leah Manning to ask for Charlie Chan's help. This creates several problems in terms of the film's narrative logic, such as: why don't the members of the family of the deceased try to solve the case before any book about their private lives comes into play? Why are they prepared to accept a libellous story about them? Why don't they try to prevent the book from being published?

This and other 'holes' in the narrative are filled by a very fast pace and a considerable amount of action (especially in the last twenty minutes of the film) that do not allow the spectator time to question motivation or notice gaps in the story. With seventy-three scenes and sixty-five minutes' duration, the film switches from scene to scene every fifty-five seconds, on average.

Another area where the Monogram films were different from Fox was in the even stronger emphasis of the former on comedy. This was largely due to the addition of Birmingham Brown (Mantan Moreland) as Chan's unofficial sidekick in his investigations, who brings comedy value with 'funny' one-liners that tend to emphasise his cowardice in face of potentially dangerous situations (*Charlie Chan in the Chinese Cat* contains at least eleven such one-liners). As the series progressed the part of Birmingham Brown started growing in stature, to the extent that he became as important as the character of Chan. In this way, Monogram attempted to capture two audiences, the Chan fans and the black audiences, as Moreland was one of the most popular black actors of the 1940s with credits in more than 100 films for the decade.

Perhaps the most important difference between the Monogram and Fox films was the representation of race (mainly Chinese-Americans and later blacks). With the role of Chan played consistently by whites (when Toler died Monogram replaced him with another white actor, Roland Winters), the problem of representation was certainly a thorny one. Despite his portrayals by white actors, however, Charlie Chan is one of the most positive representations of non-whites in Hollywood cinema, especially when the most recent representations of 'oriental' characters before Chan were in 'yellow peril' films and exemplified by villains like Fu Manchu. In the Fox series Chan becomes a model of a 'cultured immigrant' trying to assimilate into American culture

(Taves, 1995, p. 336). His language betrays good education and his manners are impeccable.

In Monogram films, though, the character becomes gradually more abrasive, more condescending, more critical of his sons and often offensive to several (white) characters that surround him. Consider his patronising attitude to ex-lieutenant Dennis when he wants to give him the credit for solving the Manning murder: 'and this is how you did it'; or his contemptuous response to Dr Recknick's expertise in criminology 'expert is merely man who make[s] quick decision – and is sometimes right'. The Monogram Charlie Chan, then, signifies a force as progressive as that of the Fox Chan but also a stronger one as Monogram gradually disperses with the (stereotypical) image of the subservient other, while also highlighting a more resistant and often threatening 'yellowface'. As Ken Hanke put it: 'That they [Monogram films] are different from the Fox films is undeniable. That this difference is altogether undesirable is questionable' (1989, p. 179).

THE SECOND PERIOD (1940–EARLY 1950s)

The second period of low-end independent production during the studio era is characterised by three significant factors that contributed to the persistence of the low-budget market. These factors were: (a) the continuation of the double bill scheme in the 1940s, despite the end of the Depression which had provided the rationale for its introduction in 1930; (b) the impact of the consent decree of 1940, which affected the low-end independents in a different way than their top-rank counterparts and the studios; and (c) the effects of World War II, which were beneficial for the film industry as a whole. The 1940s became a 'golden era' for the established Poverty Row studios like Monogram and Republic, while new production-distribution companies like Producers Releasing Corporation (PRC; 1939) and Screen Guild (1945) entered the market to exploit these conditions.

By the late 1930s the effects of the Great Depression had started subsiding. Although the country would have to wait a few more years to experience prosperity, economic recovery was well underway by 1937–8, and this was nowhere else more obvious than in the American film industry. The

big studios, the majority of which had been experiencing heavy losses or had been in receivership during the mid-1930s, were bouncing with increased revenues and healthy profits in 1937.[42] Equally, top-rank independents were finding more and more avenues open for them as prestige-level films by Selznick, Goldwyn, Wanger and Disney were making spectacular box office business and studios like RKO started emulating United Artists' model of distributing independently produced films. Despite these rosy conditions, however, the film industry was reluctant to abandon the double bill strategy that had taken all involved parties (producers, distributors, exhibitors) through the Depression's hardest times.

The most important reason behind this reluctance was that the double feature presentation had stabilised the market not only for the low-end independents but also for the studios. Irrespective of the studios' complaints about the scheme, the double bill had allowed the major production and distribution companies to operate smoothly as the B films they produced inexpensively represented sure-fire profits, which meant that the studios could afford to take financial risks with their A product. Add to this the public's persistent support and it is obvious that it would have been extremely difficult for the industry to justify the discontinuation of the practice.

With the double bill in place for the following decade, the market for B films seemed to be guaranteed. The consent decree of 1940, however, ensured that Monogram, Republic and a few other small outfits would be the rulers of that market as it signalled the beginning of the end for the studios' B production. As noted in the previous chapter, the decree meant that the studios agreed to limit block booking to five films per block and to screen their films in advance in various trade showings. To ensure that exhibitors would be interested in all five films, studios had to raise the production values (and the budgets) of their B films, to the extent that the A/B distinction became increasingly blurred for studio films.

The repercussion of this move by the studios was that the decidedly B films of the Poverty Row firms were the only contenders for the bottom half of double bills. Even when the discontinuation of B production occurred gradually, companies such as Republic and Monogram tried immediately to capitalise by producing and distributing at capacity levels, with Republic announcing sixty-two films for the 1940–1 season, sixty-six for the 1941–2 season, and sixty-eight films for the 1943–4 and 1944–5 seasons.[43] Finally, to complete the auspicious picture for the low-end

independents, the US Justice Department's antitrust lawsuit of 1938 left out the larger Poverty Row companies, despite the fact that Monogram and Republic traditionally block booked their pictures. This was because neither company had ever been involved in the exhibition business or had ever colluded with the major studios (unlike United Artists which was included in the lawsuit). Monogram, Republic and PRC were allowed to continue their trade practices in the subsequent-run theatre market without any constraints from the government.

Besides the positive effects of the persistence of the double bill and of the consent decree of 1940, the low-end independents stood also to benefit, along with the rest of the film industry, from the surge in theatre attendance that was noted during the pre-war and war years. Between 1939 and 1946, exhibitors saw approximately twenty-five million new customers added to the seventy-five million existing ones who flocked to the theatres every week.[44] The new customers were mainly internal migrants who had moved to the big cities from rural areas to work in the factories for the country's defence build-up and, later, war effort. To accommodate the workers' shifts, theatres were staying open around the clock, while the absence of other leisure alternatives made cinema the main recreation choice.[45]

Business was so exceptional that Republic and Monogram saw an impressive increase in their revenues and profits. In particular Republic's profits exceeded the $1 million mark in 1946, still lacking substantially in comparison to the profits of a major such as MGM (over $12 million profit in the same year) but in relative proximity to a smaller studio like Columbia ($3.4 million profits in 1946).[46] Table 2.1 presents the financial performance of the two key Poverty Row studios from 1938 to 1948 (the figures in parentheses signify net losses).[47]

Producers Releasing Corporation

With Monogram and Republic consistently profitable (especially after 1941) it was no surprise that new companies would attempt to enter the – now sizable – low-budget market. The most significant was Producers Releasing Corporation. Like Grand National, PRC (whose original name was Producers Distributing Corporation) was set up as a distribution company in 1939, by Ben Judell, an exchange owner who had recently ventured into production. Like Monogram, the company came together as a cooperative of franchise holders with the main objective of producing and

Table 2.1 Gross revenues and net profit/loss for Monogram and Republic, 1938–48

	Monogram		Republic	
Year	**Gross revenues**	**Net profit/loss**	**Gross revenues**	**Net profit/loss**
1938	1,494,402	(180,817)	7,373,972	n/a
1939	947,565	41,642	7,960,000	n/a
1940	1,945,879	(179,656)	7,235,335	590,031
1941	2,030,459	10,897	6,256,335	513,451
1942	2,186,092	157,103	6,700,358	504,351
1943	2,567,186	99,144	9,465,338	578,339
1944	4,300,627	177,833	11,137,125	561,719
1945	4,807,446	165,161	10,016,142	572,040
1946	n/a	n/a	24,315,593	1,097,940
1947	8,100,205	375,895	29,581,911	570,200
1948	9,030,906	(497,696)	27,072,636	(349,990)

distributing ultra-low-budget films, mainly westerns.[48] Immediately they announced three series of eight westerns per series and soon after a programme of sixty features for a total investment of $1 million.[49]

To produce the films, the company hired six associate producers. A few months later, however, Judell found himself in financial trouble, while the company did not seem to have the resources to deliver enough films to sustain its distribution network. In the face of bankruptcy and only a year after its formation, the company was taken over by its creditors, one of whom was Sigmund Neufeld Productions, and was renamed Producers Releasing Corporation. Under Neufeld, PRC managed to stabilise operations and become a steady supplier of cheap product to subsequent-run theatres. This became particularly evident during the 1942–8 period when the company released on average forty films a year.

According to critics, the PRC product was so cheap – even for Poverty Row standards – that it represented 'the nadir of independent filmmaking'.[50] Filmmakers such Edgar G. Ulmer, Sam Newfield and Joseph H. Lewis who produced films for the company achieved fame (or notoriety) for making feature films in five days (and westerns in two days) with ultra-low budgets.[51] In an interview with Peter Bogdanovich, Ulmer revealed that he was not allowed to work with more than fifteen thousand feet of film, which was the equivalent of two hours of film duration. From

this the filmmaker had to deliver a film between fifty-five and sixty-five minutes long, which did not allow any margins for mistakes.[52] But for PRC quality was never an issue. As Wheeler Dixon argued: '[At PRC] no one cared about what was "in the can" as long as you had at least fifty-four minutes of programming'.[53]

It was this kind of indifference towards the content of its films in combination with the ultra-low budgets and the ultra-short shooting schedules, however, that enabled filmmakers like Ulmer and Newfield to experiment with narrative and style while trying to find solutions to the logistical problems that this type of filmmaking created, and to achieve critical fame that was unexpected for filmmakers working in the low-budget market. Some of Ulmer's films in particular (such as *Detour* [1945]) have attracted considerable critical interest retrospectively.

Upgrading the Product

Republic, Monogram and PRC were the most successful low-end independents in the 1940s. Driven by the possibilities that the 1940 decree and the surge in attendances promised, and while PRC was still trying to establish itself in the market, Monogram and Republic started taking their first, very cautious, steps to A film production. Republic, in particular, found itself in a very favourable position. First, because its films had always targeted American audiences they proved to be particularly popular during the war years. Second, a large section of the audience for its films had moved from small towns to large metropolitan areas, which meant that the Republic films broke into urban theatres which always produced larger profits. Finally, the company maintained its popularity in rural America, providing a particularly large number of theatres with product. According to *Variety*, by the end of 1941 Republic was servicing more than 8,500 theatres,[54] while Gene Autry, the company's premier singing cowboy star, broke into the top ten of the most popular male stars for 1940–1, which clearly suggests that Republic's westerns were big business for the company.

With all this success Republic had started replacing its 'cheap Poverty Row aesthetic' with a new look. As Don Miller observed:

> [W]ith the commencing of the 1941–42 season, the Republic schedule took on a new look; the product seemed more firmly entrenched in definite categories, polarized in magnitude but not in quality . . .

> [t]he bulk of the schedule, B pictures all, seemed to have lost that almost indefinable aura of cheapness evident in even the best of them heretofore. Still inexpensive to make, they had become technically polished to a high degree.[55]

If the bulk of Republic's schedule continued to be (more polished) B pictures, the company soon ventured to A film territory. Its 1943 film *In Old Oklahoma* (with John Wayne) boasted the studio's longest ever shooting schedule (sixty-three days). By that time Republic was in a position to allocate $17 million for its production slate of 66 pictures (corresponding to $257,000 per film on average).[56] And with many of its western films costing as little as $30,000 to $50,000, Republic was in a position to invest more than $500,000 in specific productions, known as Deluxes.[57] By 1945 the company was spending more than $1.5 million on one or two prestigious productions per year such as *The Flame of Barbary Coast* (J. Kane, 1945) and was making production deals with top-rank independent filmmakers like Frank Borzage who made *Concerto* (1945), the first Technicolor film for Republic, with a budget that exceeded the $1.5 million mark.[58]

Monogram was following suit 'making swift increase in stature, not only in the quality of its production but in the breadth of its distribution.'[59] In 1943 Monogram released its first A picture, *Silver Skates* (Goodwins), with ice-skating star Belita, which proved a big success. Furthermore, the company announced a policy of fewer films so that it could pay more attention to production values and therefore push for better returns from the theatres. Still refusing to allocate production funds on a par with Republic, Monogram soon became the pioneer of 'exploitation' pictures, 'films with some timely or currently controversial subject which [could] be exploited, capitalized on in publicity or advertising.'[60] The company produced most of these films on high budgets as A films and pushed them in the marketplace with sensationalised advertising. A particularly successful example of such a film was *Women in Bondage* (Sekely, 1943), the story of which revolved around the enslavement of women in a 'fascist' Germany, accompanied by the tagline: 'BLUEPRINT FOR SHAME . . . womanhood's most sacred ideals and rights . . . stripped away in a reign of uncurbed fearfulness'. But despite the occasional A films, Monogram, like Republic, continued to make cheap productions in the early 1940s.

By the mid-1940s, however, Monogram was also venturing to $1 million productions and making deals with expensive, ex-studio filmmakers like

Roy Del Ruth, whose *It Happened On 5th Avenue* (1947) cost Monogram more than $1.5 million.[61] This was mainly the product of a new company policy articulated by its newly elected president, Steven Broidy, who envisaged Monogram as a major studio.[62] With the company already servicing 7,500 theatres and enjoying massive success with another exploitation film, *Dillinger* (Nosseck, 1945), Monogram seemed to be heading in that direction. In November 1946, the company established a subsidiary, Allied Artists, to handle exclusively the distribution of high-budget films with *It Happened On 5th Avenue* as its first release.

The Decline of the B Film Market

With Monogram and Republic focusing their attention increasingly on A pictures during the second half of the 1940s (Walter Wanger, John Ford, Orson Welles and screenwriter Ben Hecht were among the few who released through Republic), it became clear that the low-budget market had started losing its appeal as a reliable provider of small, but guaranteed, profits. The main problem was that the cost of the B films had become substantially higher than in the 1930s, while the rentals from exhibitors paid to distributors (and producers) had not risen proportionally. This was because exhibitors had established a ceiling on the grosses of B pictures and therefore allowed only a specific amount of money to return to the distributor, irrespective of a film's box office performance. As a result, production companies with a specialisation in B films kept increasing their budgets but not their profit margins.[63]

More importantly, however, the B film had started slowly losing its usefulness and therefore its value in the American film market. Despite an initial increase in B film production in the post-war era (especially the 1947–8 period) to counter rising costs and falling attendances,[64] this category of filmmaking was reaching the end of its cycle. As early as June 1946, Republic had been studying reports which called for 'the elimination of the lesser-budgeted pictures', while at the same time increasing the number of its expensive Deluxe productions from two to ten.[65] Furthermore, after the end of the war, a large percentage of the audience had been deserting the major cities (and the large number of cinemas that were located in them) for the suburbs and started seeking 'more sophisticated leisure activities' than 'the simplistic entertainment' that the B films had been providing them with since the early 1930s.[66] Add to all this the impact of television which started

taking off in 1948–9 and quickly became the main outlet for simplistic entertainment and it is easy to see why the B film was losing its *raison d'être*. Although its eventual demise would not be for a few more years (early/mid-1950s), the producers of B films – which by that time were only ex-Poverty Row outfits – felt the pressure of a shrinking market.

Monogram and Republic's ventures in the A film market, however, were not particularly successful, with the exception of a few titles. By 1948, both companies were experiencing net losses, while PRC had also been in financial trouble, in spite of its refusal to enter the A film market. During the same year (1948) PRC was taken over by Eagle-Lion, a production-distribution company formed by American billionaire Robert Young and British film entrepreneur J. Arthur Rank. Republic continued to operate with a small profit in the 1950s until two disastrous years (1957 and 1958) brought the company on the verge of bankruptcy before it re-emerged as a television producer. Monogram ceased to exist in 1952 when it was consumed by its own subsidiary, Allied Artists. The company continued producing films in the following decades with an emphasis on the exploitation market, while in the 1970s it had a few big successes with *Cabaret* (Fosse, 1972) and *The Man Who Would Be King* (Huston, 1975).

The trajectory of the low-end independents in the 1940s demonstrates clearly that their existence was intricately linked with the existence of the B film market, which in its own turn depended mainly on the persistence of the double bill scheme. Once the B film market started shrinking and it became apparent that television would develop into the main provider of cheaply made 'simple entertainment', the ex-Poverty Row companies did not have any other alternative but to try to raise the stakes. Despite their foray into high-budget production, however, their lack of a solid economic basis, their difficulty in securing exhibition in the first-and second-run theatres and, finally, their inability to release truly competitive product ensured that they would remain marginal players. Not surprisingly, both companies were among the first to enter television production, in 1950, while Monogram became the first film company to lease its films to syndicated television in 1951.[67]

CONCLUSION

If the filmmaking practice by the low-end independents in the 1930s represented an alternative cinema that was characterised by 'an air of flatness

and unreality'[68] and was defined against the dominant – classical – cinema of the studios, this continued to be the case in the 1940s. Exemplified primarily by the ultra-low-budget films produced and distributed by PRC as well as by a significant number of films by Monogram and Republic (see the discussion of *Charlie Chan in the Chinese Cat* [1944]), low-end independents continued to prize action and pace to the detriment of character motivation and narrative coherence. From the mid-1940s, however, the two most significant Poverty Row studios stopped making exclusively B pictures and gradually entered the A film market. This meant that their films – produced mainly by ex-studio filmmakers like Borzage for Republic and Del Ruth for Monogram – started embracing the properties of classical narrative and style more readily and therefore becoming part of mainstream American cinema. Despite this evolution, however, which occurred towards the end of the studio period, the films of the Poverty Row studios represent historically a type of cinema that differs from the mainstream in both economic and aesthetic terms and therefore deserve the label independent, perhaps more so than their top-rank counterparts.

BEYOND POVERTY ROW: ETHNIC FILMS

Another important part of the low-end independent market was the ethnic film market, which was established in the mid-1910s but which also reached a peak in the 1930s and 1940s. The term 'ethnic' here does not only refer to films aimed at American audiences of specific ethnicities; rather it is used as an umbrella term under which one could group several defining audience characteristics such as race, religion and nationality.[69] Thus, under the label 'ethnic', one could bring together films that were made for Jewish audiences (Yiddish pictures), Cantonese-speaking audiences, Hispanic audiences, African-American audiences and so on. The unifying element for all these productions was that they were defined against the mainstream films that were made by the studios in English and for the benefit of a white, English-speaking audience.

Ethnic films share a number of similarities with films produced by Poverty Row companies. First, a large number of these films were also produced by very small, thinly capitalised companies which often folded after one or two productions. Second, producers of ethnic films used the states rights market for distribution, in particular territories where a significant ethnic audience existed. Third, such films were aimed at very

specific audiences which, as we saw, were distinguished on the basis of language, race, religion and nationality (in various combinations) with little potential for interest from the mainstream, English-speaking audience of the studio-produced films. Finally, like the majority of Poverty Row films, ethnic films were characterised by a cheap look which in tandem with a number of other elements often signified an alternative aesthetic.

On the other hand, ethnic film production also presented major differences from production at Poverty Row. Arguably, the most important one was that this kind of independent film production did not transpire because of the demand for films that the double bill scheme instigated. As ethnic films played in specialised theatres, they benefited from the existence of a small but steady audience which actively sought these types of films and as a result was not discouraged by the absence of a second feature from the theatre programme. This particular factor was responsible for another significant difference between ethnic and other low-end independent productions. Because ethnic films were made for specific audiences, they tended to prize narratives and subjects familiar to the individual ethnic groups the films targeted and therefore often avoided the use of established film genres such as the western, extremely popular with Poverty Row. Finally, a large proportion of all ethnic films were produced away from Hollywood and California, the hubs of American cinema, and on the east coast, in places like New York and New Jersey.

Although ethnic pictures, especially race films aimed at non-white audiences, were available before the introduction of sound, it was the new technology that provided the impetus for the production of films that could 'speak' to specific ethnic groups. Almost immediately after the first 'talkies', a number of production companies formed specifically to serve the various ethnic audiences, which represented a substantial part of the American population but which were ignored by studio productions. Such companies included Judea Pictures, which was established in 1929 and produced eleven films in Yiddish in the following five years, while smaller outfits like Eron Pictures and Gloria Films contributed the remaining fourteen of the total of twenty-six features that were produced in Yiddish in the 1930s.[70] Furthermore, a number of small distributors (such as the Sphinx Film Corporation) started importing films in Yiddish from abroad thus creating a small but vibrant Yiddish film market at the time of the Depression.

Other ethnic groups were serviced in a comparable manner. Star Film Company, a distributor of Polish films, released approximately twenty

films in the US between 1935 and 1939. Frank Norton (another small distributor) imported Greek films for the ethnic Greek market throughout the 1930s. As Douglas Gomery noted, by the end of the 1930s, the ethnic market had been thoroughly established to the extent that in New York City alone there were twenty-five exhibition sites that played films in nine languages: French, German, Polish, Italian, Russian, Yiddish, Greek, Hungarian and Chinese.[71]

The films for the ethnic markets were made at extremely low-budgets, often as little as $3,000. Edgar G. Ulmer, a filmmaker who worked for both a Poverty Row company and for an ethnic film production company, admitted that working for the former was 'big time'. If he was allowed only 15,000 feet of film for his pictures at PRC, Ulmer was given 'short ends', leftovers of unexposed film from reels used in other films to shoot his ethnic films. In other words, he never had a full reel to shoot a scene for his film *Moon Over Harlem* (1939), which was aimed at the black market. As he put it in an interview: 'It was one of the most pitiful things I ever did.'[72] With most of these films financed by members of specific ethnic communities (Ulmer's *Natalka Potavka* [1937], a film for Ukrainian audiences, was financed by a window-washers union),[73] it is not surprising that the profits for the investors in the ethnic markets were minimal.

A large number of ethnic films tended to privilege stories about the customs and traditions of the ethnic group they addressed, which suggests that they spoke to their audience as non-Americans with distinct cultural identities. As Thomas Cripps suggests, ethnic films focused on portraying 'a sense of a common past, a setting forth of issues, a lightly sweetened nostalgia and an anatomy of a group's interior life . . . to cultivate a warm cultural chauvinism.'[74] In this respect, they were completely the opposite of mainstream American films that were promoting ethnic assimilation through particularly constructed narratives that effaced specific characteristics of ethnicity. Instead, as Taves suggested (speaking about Yiddish films), 'they supported and perpetuated their respective heritage of customs and cultural identities, offering audiences one of the few opportunities to feel a wholly satisfying cinematic experience in unique rapport with their own people.'[75] Other types of ethnic films, however, especially the ones made for black audiences, like the cycle of black singing cowboy westerns in the late 1930s, were more assimilatory, inviting 'black Americans to see black men as fully vested American citizens and as righteous heroes.'[76]

The most important type of ethnic film was the race movie, especially films produced for black audiences. As early as 1915 black-owned production companies such as the Peter P. Jones Film Company and Ebony Pictures were producing all-black features in Chicago, a city that had experienced an exponential growth of its black population within ten years. The following year, Noble Johnson and his brother George established the Lincoln Motion Picture Company, which produced a small number of films aimed at black audiences. Before the end of the decade Oscar Micheaux, the most famous black independent filmmaker, had established his own production company through which he would produce forty-one films in thirty years (1919–49). New companies continued to appear in the 1920s such as Norman Black-Cast Films, which made films for segregated theatres in the American South (from Texas to Alabama) and especially Colored Players in Philadelphia. The latter was established by white investors though it made only black-cast pictures, four in total. Its most memorable production was *The Scar of Shame* (Peregini, 1927), a film that adopted 'a black point of view in its portrayal of class conflict in African American community'.[77]

With few exceptions (among which the various guises under which Oscar Micheaux produced his films) most of these companies did not survive the introduction of sound. Thus in the 1930s there were only a handful of companies that supplied product to the 400 theatres that served approximately 12 million African Americans.[78] With the exception of Micheaux, however, these companies could not lease studio space and use the new sound systems that the studio-produced films had access to.[79] As a result, certain companies continued making silent films for theatres that could not afford the costs of wiring, a long time after the introduction of sound.[80] Despite the problems, the market for race talkies developed gradually in the 1930s, from twenty-three black feature films made between 1930 and 1936 to over fifty made between 1937 and 1940. Partly responsible for such an outburst in the productivity of black films were Million Dollar Productions, a company created in 1936, and International Road Shows, a company that produced a number of films in the 1939–40 period.

Unlike the films that were aimed at people of specific ethnicities and therefore utilised particularly constructed narratives that were appealing to such audiences, films by Million Dollar Productions such as *Dark Manhattan* (H. L. Fraser, 1937) were gangster films that generally followed Hollywood film conventions. However, these pictures were

differentiated from mainstream films by the emphasis they placed on black musical performance in the narratives, on the problems and anxieties entailed in the black migration from the north to the south, and on the positive representations of the black female characters.[81] As a result they claimed a particular place in independent film production that is similar to the Poverty Row films (using studio genres and narratives but breaking away from the rules of classical filmmaking). On the other hand, Oscar Micheaux, the leading black independent filmmaker, was producing films that tackled the subject of racial oppression. For this reason, his work was placed in greater opposition to mainstream cinema than the films of Million Dollar Productions.

Thus, one could argue that there were two distinct articulations of black independent cinema in the1930s. The first, characterised by the films of Oscar Micheaux, was explicitly about tackling racial issues – often in a sensational manner – and educating black audiences about the nature of their oppression. This strand of black filmmaking was characterised by a particular 'home-grown' aesthetic which, as Jane Gaines argued, followed but 'was not bound by' the classical style, while also flirting with the avant-garde.[82] The second, characterised by the films of Million Dollar Productions and other independent outfits, emphasised a particular type of entertainment that was modelled on the studio films, even though certain elements were appropriated for the purposes of creating a film production for minority audiences. As Taves suggests, 'there was no trace of the homegrown aesthetic associated with Micheaux; Million Dollar films were . . . on a par with the contemporary product of Monogram and Republic.'[83]

Black independent production continued in the 1940s and also benefited from the surge in attendances during the World War II years. The participation of African Americans in the war effort had made them a particularly viable audience and companies like Sack Amusements Enterprises, one of the most important states rights market distributors, entered black film production in the early 1940s. Although the market continued to be buoyant during the decade, the increasing integration of African Americans, which was marked by the improved visibility of black characters in Hollywood productions in the late 1940s and 1950s, made the rationale for the existence of such a 'segregated' market obsolete. As a type of independent cinema, ethnic films are restricted to the years of the studios' domination.

Notes

1. Broidy is quoted in Strawn, 1975a, p. 275.
2. Dixon, 1986, p. vii.
3. Taves, 1995, p. 322.
4. Some sources from the period put the number of these theatres as high as 11,000. See 'Mute Major', in *Time*, 20 March 1942.
5. Flynn and McCarthy, 1975a, p. 17.
6. Contrary to popular belief the nickname Poverty Row was not given to companies like Monogram and Republic because they were inadequately capitalised or because they were making very cheap films. According to Merritt the term signifies a small geographical area in central Hollywood where 'various fly-by-night producers' established their companies to make ultra-low-budget films (Merritt, 2000, p. 63).
7. Gomery, 1986, p. 180.
8. Crafton, 1999, p. 262.
9. For instance, MGM's B films were certainly not made on low budget, while in terms of quality and production values they were on a par with other studios' A product (especially RKO and Warner's A films). Also there are many examples of films which were produced on limited resources for the lower half of the double bill but which became successful and popular enough to be boosted to A status (for example, *The Payoff* [Florey, 1935; Warner], *A Man to Remember* [Canin, 1938; RKO] and *Penitentiary* [Brahm, 1938; Columbia]). See Taves, 1995, p. 315.
10. The figures for 1932 appear in Balio, 1995, pp. 29–30. The figures for 1935 are cited in Flynn and McCarthy, 1975a, p. 15.
11. May, 2000, p. 61.
12. Republic was the only such company with profits comparable to the profits of the Little Three.
13. Yeaman, Elizabeth, 'Monogram Aiming at 52 Pictures Per Year', in *Hollywood Citizen-News*, 23 October 1934.
14. 'Monogram to Do 32 Movies', in *Hollywood Citizen-News*, 3 May 1932; 'Single Movie Billing Plans Bring Attack', in *Hollywood Citizen-News*, 31 July 1933; and 'Studio Chief Returns from Indie Meeting', in *Hollywood Citizen-News*, 14 April 1934.
15. Miller, 1988, p. 25.
16. The figures for Monogram's yearly budgets are taken from 'Monogram Film Plans Disclosed', in *Los Angeles Times*, 13 May 1933.
17. See 'Independents Head East', in *The Morning Telegraph*, 19 April 1933.
18. For more information on the details of the merger, see Tuska, 1982, p. 183.
19. The figures are taken from Taves, 1995, p. 322.
20. Tuska, 1982, p. 87.
21. Cleary, Chip, 'Republic, the Industry's Baby', in *Hollywood Reporter*, 4 October 1940.

22. Hanna, David, 'The Little Acorn has Grown', in *New York Times*, 2 February 1941.
23. See Hagopian, 1986, p. 20.
24. McCabe, 1998, p. 158.
25. McGilligan, 1975, pp. 68–70.
26. Taves, 1995, pp. 316–17 (see also note 9).
27. Taves, 1995, p. 317.
28. Taves, 1995, p. 320.
29. Taves, 1995, p. 318.
30. Taves, 1995, p. 318.
31. For the rules of filmmaking on Poverty Row, see *New York Times*, 2 February 1941; for more on the number of camera set-ups per day, see Bogdanovich, 1975, p. 387.
32. Tuska, 1982, p. 120.
33. See Schatz, 1999, p. 36.
34. Of course there were exceptions to this rule, like Warner's *The Florentine Dagger* (1935) which, according to Taves, 'provides a forceful example of the adaptation and integration of expressionist and avant-garde styles into the American feature through the B' (1995, p. 339).
35. Broidy quoted in Strawn, 1975a, p. 275.
36. Taves, 1995, p. 326.
37. Stanfield, 1998, p. 102.
38. Taves, 1995, p. 334.
39. Tuska, 1982, p. 16
40. Dixon, 1986, p. ix (original italics).
41. Taves, 1995, p. 338.
42. See Gomery, 1986, pp. 77 and 102.
43. 'Rep Plows Back Profits for Record Production Sked . . .', in *Daily Variety*, 29 October 1941; 'Republic Stepping High', in *Daily Variety*, 29 October 1943; '$17 Million Budget for 68 Rep Pix', in *Daily Variety*, 27 April 1944.
44. See Flynn and McCarthy, 1975a, p. 16.
45. See Izod, 1988, p. 113.
46. The figures for MGM and Columbia are taken from Gomery, 1986, pp. 52 and 162.
47. The figures for Monogram are taken from *The International Motion Picture Almanac*, 1949, p. 949. The figures for Republic are taken from Hurst, 1979, p. 7 (with the exception of the data for 1938 and 1939 which are taken from *The International Motion Picture Almanac*, 1949, p. 953).
48. Okuda, 1989, p. 32.
49. Fernett, 1973, p. 100.
50. Okuda, 1989, p. 31.
51. Dixon, 1986, p. viii.
52. Bogdanovich, 1975, p. 387.
53. Dixon, 1986, p. viii.

54. *Daily Variety*, 29 October 1941.
55. Miller, 1988, p. 258.
56. *Daily Variety*, 29 October 1943.
57. See Gomery, 1986, p. 184.
58. 'Republic Pictures Celebrates Its Tenth Anniversary', in *The Independent*, 23 June 1945.
59. 'Monogram Marching On: Company Shows Swift Increase in Stature', in *Daily Variety*, 29 October 1943.
60. Quoted in Schatz, 1999, p. 175.
61. Brady, Thomas F. (1946), 'Out Hollywood Way', in *New York Times*, 8 September 1946.
62. 'New Studio Chief Tells Expansion Plan', in *Hollywood Citizen-News*, 20 November 1945.
63. 'Broidy Asks Lower Pay Scale on "B" Films to Insure Profit', in *Hollywood Reporter*, 5 June 1947.
64. See Schatz, 1999, pp. 292 and 331.
65. 'Republic Will Release 58 at Cost of $25,000,000', in *Motion Picture Herald*, 22 June 1946.
66. Flynn and McCarthy, 1975a, p. 42.
67. See 'Monogram Going Into Telepix: 1st Studio to Make Decision', in *Daily Variety*, 10 October 1950; 'Getting $1,000,000 for 7-Yr License; Mono Plans Own TV-Distribution In Future', in *Daily Variety*, 20 June 1951.
68. Flynn and McCarthy, 1975a, p. 22.
69. This definition is used by Brian Taves in his discussion of B films between 1930 and 1939 (1995, p. 342).
70. The number of Yiddish films in the 1930s is cited in Taves, 1995, p. 343.
71. Quoted in Merritt, 2000, p. 82.
72. All the quotes from Ulmer here are from Bogdanovich, 1975, pp. 374–5.
73. See Isenberg, 2004, p. 11.
74. Cripps, 1997, pp. 130–1.
75. Taves, 1995, p. 343.
76. See Leyda, 2002, p. 61.
77. Gaines, 2003, p. 2.
78. Balio, 1995, p. 2.
79. Crafton, 1999, p. 413.
80. Taves cites the example of Harlem-based Paragon Films as one of the companies that continued making silent films in the sound era (1995, p. 344).
81. See Simpson II, 2003, p. 2.
82. Quoted in Regester, 1996, p. 163.
83. Taves, 1995, p. 347.

Part II

THE TRANSITIONAL YEARS (LATE 1940s–LATE 1960s)

3

INDEPENDENCE BY FORCE: THE EFFECTS OF THE PARAMOUNT DECREE ON INDEPENDENT FILM PRODUCTION

> I have to know which [rules] I must abide by in order to safely break other ones . . . The trick is to be creative in how one abides by the rules.
>
> Stanley Kramer, filmmaker[1]

> It's great to be left alone when you're making a movie, but not when you're finished with it!
>
> James B. Harris, producer[2]

INTRODUCTION

The second period of the history of American independent cinema commences with the Paramount Decree of 1948, a consent decree the Big Five and Little Three studios signed when the US Supreme Court found them guilty of applying monopolistic practices that restrained trade and eliminated competition. The decision had a seismic impact on the structure of the American film industry as it forced the studios to divest themselves of their theatre chains and therefore lose control of exhibition, one of the three foundations upon which vertical integration depended. Although the studios found alternative ways to retain control of the film industry, the Paramount Decree became instrumental in gradually dismantling the studio system of production which had been at work since the late 1910s. Instead, the new system privileged a format of independent production which had its origins in the top-rank independent production model of the

hyphenate filmmakers which had started gaining momentum during the 1940–8 period (see Chapter 1), though with some important differences. It could be argued that the Paramount Decree formalised the industry-wide shift to independent production that began in 1940 and therefore ushered in American cinema's post-studio era.

To a certain extent, this development, which became particularly evident from the 1950s onwards, continues to our times. For the purposes of this book, however, we will adopt the position that the second phase of American independent cinema starts in 1948 and finishes in the late-1960s, and in particular in 1967, a year that film historian Paul Monaco calls 'a watershed year' for the film industry.[3] During that time a number of factors – including changes in the constitution of the audience and in movie-going habits in general, the conglomeration of the film industry (already underway from the mid-1960s), and the socio-cultural upheaval that the country experienced throughout the decade (represented mainly by an increased protest/anti-Vietnam sentiment and the growing visibility of the civil rights movement) – laid the foundations for a new brand of independent filmmaking that we will discuss in detail in Part 3.

With independent production replacing studio production and becoming the dominant approach in planning and executing filmmaking, the discourse of post-1948 independent cinema expanded greatly to include all films that were financed and distributed by the ex-studios but which were physically produced by a different production entity. The expansion of the discourse brought an unavoidable identity crisis for independent production. By 1956 over half of the films (53 per cent) distributed by the ex-studios were deemed 'independent' as the major Hollywood companies were not physically involved in any aspect of those films' production process. Three years later the figure was as high as 70 per cent, signalling the overwhelming success of this model of film production.[4]

With such a massive proportion of filmmaking in the US deemed as independent, it is clear that the distinctions between mainstream (as exemplified by studio-produced films) and independent production (as exemplified by films produced by top-rank production entities without corporate ties to the majors) that applied during the pre-1948 era were no longer valid. Instead, it was independent filmmaking – with the full endorsement of the studios – that came to represent mainstream Hollywood cinema for this specific period while physical production by the studios became marginalised as the studios gradually contributed fewer

and fewer films. To complete this picture of the transformation of the American film industry, United Artists, the smallest of the eight main powers and key distributor of top-rank independents in the studio era, became by the mid-1960s the most successful distribution company in the country, surpassing the other ex-studios in revenues and profits. In the period between the late 1940s and the late 1960s, the terms top-rank independent and mainstream Hollywood filmmaking became virtually interchangeable.

THE PARAMOUNT DECREE

The consent decree of 29 October 1940, in which the studios agreed to reduce the number of block-booked films to five and replace blind-biding with trade showing, certainly created more opportunities for independent producers but did not achieve the main objectives of the US Justice Department: the elimination of illegal trade practices and the divorcement of exhibition from production and distribution. With America at war between 1941 and 1945, trust-busting campaigns had become less persistent and considerably less focused, bringing only one significant antitrust decision during the period.[5] Immediately after the end of the war, however, the Justice Department, under new Attorney General Tom Clarke, reopened the case against the eight dominant film companies. The New York federal district court that examined the case ruled that the studios had indeed conspired to impose a set of illegal trade practices (price-fixing, block booking, favourable agreements with affiliated circuits, zoning and clearance) but, significantly, failed to see that it was the studios' organisation as vertically integrated companies that gave them the power to impose those practices.

Although the federal district court's decision was certainly a victory for the Justice Department, this time the Attorney General wanted both objectives fulfilled. After a series of appeals, the US Supreme Court granted the case a hearing, while at the same time smaller antitrust lawsuits mainly brought in by independent exhibitors against the studios and their affiliated circuits were being upheld by courts around the country. The hearings took place in 1948 and on 3 May of the same year, the Supreme Court reached unanimously its verdict, which this time identified correctly the studios' control of all three aspect of the film business (production, distribution and exhibition) as the source of their power.

Specifically, the Court upheld the federal district court's original decision that had found block booking, price-fixing, zoning and clearance, and other studio practices, illegal restraints of trade and recommended divorcement of exhibition from the other two branches of filmmaking that the eight defendants controlled.

Although studios like 20th Century-Fox and, especially, MGM would fight the decision for almost a decade (MGM did not sell its last theatres until 1957),[6] the Supreme Court's decision did not leave the studios any space for compromise. For that reason, when RKO and Paramount became the first two of the eight studios to sign the consent decree, in 1948 and 1949 respectively, the terms were unequivocal. Apart from putting an end to all practices that constrained trade and mobilising the divorcement of exhibition from production and distribution, the consent decree also forced studios to break off their ties with affiliated theatre circuits, especially in 'closed towns' where one such exhibitor had an absolute monopoly.[7]

The provisions of the Paramount Decree (as the Supreme Court's decision became known) seemed to signal an outright victory for top-rank independent producers. Among the key issues that the Society for Independent Motion Picture Producers (the collective bargaining tool for top-rank independents) had lobbied for after the district court's decision were the end of block booking and the divestiture of theatres, both addressed specifically by the Supreme Court's decision.[8] The future seemed bright for these independents as they would be in a position to compete with studio films on an equal basis for access to the best theatres. And as their reputation for producing quality pictures was already in place from the pre-1948 period, the Paramount Decree came to represent for them more freedom from the constraints of the studio system as well as greater profits from improved access to the first-run theatres.

The independents' optimism proved false, however, as a cluster of factors – well underway before the 1948 decree – changed the rosy economic conditions that had brought record profits to the American film industry during the war years and presented a much darker picture for both the studios and the independents. Increased production costs, union and labour problems, the introduction of protective quotas in foreign markets, the House of Un-American Activities Committee investigation of communist infiltration of the film industry and, especially, a drop in theatre attendance from 1947 that continued throughout the 1950s and

1960s, changed dramatically the landscape of American cinema. In this new reality, independent production struggled for the first few years after the decree, before becoming the dominant method of production in the mid-1950s and 1960s.

THE POST-WAR RECESSION

Although 1946 was the peak year for Hollywood, with the eight studios' combined profits soaring to a record $122 million (up a remarkable 85 per cent from $66 million in 1945), this turned out to be the last time profits climbed for a very long time, thus marking the beginning of a period of recession. Only a year later, in 1947, profits were down 27 per cent to $89 million, while by 1949 they had dropped to $37 million, an alarming 70 per cent down from the 1946 milestone.[9] During the same time the gross revenues of the eight studios' films went down only slightly (14 per cent), which suggests clearly that one of the reasons studio profits were slashed was because of a significant increase in production costs. While in the 1930s and early 1940s budgets of $1 million and over were allocated mainly to a few prestige-level pictures, by 1950, the studios' average negative cost per film was well over that figure ($1.14 million for Paramount; $1.63 million for 20th Century-Fox) with the independents following closely ($0.8 million).[10] For that reason, profit margins kept shrinking, especially as grosses remained stagnant.

The drop in theatre attendance and the ensuing recession caught the industry by surprise as it invalidated all positive projections by industry analysts who were arguing that the immediate future of the film industry was secure because returning soldiers could only boost attendances further; increases in salaries and disposable income and decreases in working hours would drive more people to the theatres more often; and resumption of film distribution outside the US (discontinued during the war years) would bring pure profits as the studios had a backlog of unreleased films from as early as 1939.[11]

The reality, however, proved very different. A large number of ex-soldiers who returned from service chose to go into adult education, which minimised their leisure time.[12] A boom in marriages and a sharp increase in birth rates created a huge number of new families which had little time to visit the cinema, especially as they started migrating to newly built homes in the suburbs of large cities, often miles away from

the closest theatre (by 1950 it was estimated that 40 to 50 million Americans had moved to the suburbs).[13] The increase in disposable income (22 per cent up from 1946 to 1949) did not make Americans visit the theatres more frequently.[14] Instead, it allowed them to explore an ever-increasing array of leisure and recreation options giving cinema-going (one of the very few leisure options during the war time) fierce competition: attending performances of travelling theatre companies presenting Broadway shows; attending professional sports games; listening to the radio; boating; bowling; golf; amateur photography; recreational driving; and, of course, watching television, especially from 1950 onwards).[15] Finally, immediately after the end of World War II, major European countries (and film markets) like Britain, France, Italy and Germany introduced protective measures against and quotas on the importation of US films to help resurrect their national film industries. One of these measures was the retaining of a large percentage of film rentals by US films in the host country, thus allowing only a fraction of profits back to the hands of the studios. This means that the studios' profits from their hitherto unreleased films were severely dented, while returns from the distribution of new films were also substandard as some of these films had to end their runs quickly, to make way for a percentage of home-produced films.

In the wake of recession and with the Paramount Decree removing their most significant source of income, their (first-run) theatres, the studios responded with a number of measures that were geared mainly towards cutting operating costs. Having lost their theatres, and therefore no longer being guaranteed exhibition for their films, it made little economic sense for the studios to keep above- and below-the-line talent and crew under contract. Gradually they started releasing their stars, directors, writers and technical personnel from their long-term agreements, which of course had an immediate positive impact on the size of their payrolls. More importantly, in order for the studios to maintain an operational release schedule (and cover the costs of maintaining worldwide distribution networks) they started recruiting aggressively independent producers to supply them with the necessary product.

Although it seems that the independent producers had found themselves at last in a position of power against the studios which could not function properly any more as production companies, the truth is that the independents had their own set of pressing problems to deal with. The

recession had hit them even harder than the studios and the majority of these outfits were struggling to remain solvent. Writing in 1948 (before the Supreme Court decision), George Yousling, an executive in Security-First National Bank, had remarked:

> The growth in independent production reached a peak in 1947. In the latter half of the year the amount of new credit available to independent producers, particularly 'second money,' diminished as lenders became more cautious in the face of rising costs and declining returns both in the domestic and foreign markets. At the present time – March 1948 – many independents are unable to obtain sufficient financing to start new productions, and the volume of independently produced films going into production is below the high levels of recent years.[16]

The trade publications concurred. In an article entitled aptly 'Bell Tolls for Indie Producers' that appeared in *Variety* in May 1948, it was reported that with the exception of a handful of extremely well established independents (Disney, Goldwyn, Chaplin and Selznick who incidentally were also experiencing some difficulties in obtaining production funds), financing was simply not available for independent producers.[17] Indeed in the previous year, a large number of independently produced films had failed miserably at the box office, to the extent that they could not even recoup 60 per cent of their costs from theatrical rentals.[18] Banks responded by foreclosing loans to such companies while hoping to get part of their investment back from the films' foreign box office receipts. From that point on banks would be ready to loan funds only to companies with tangible assets, like the studios, while if they were to make production funds available to a handful of established producers, they would charge more interest and take an active interest in the production process.[19]

Perhaps the most characteristic example of the impact of the recession on American cinema in the post-war period was the fate of United Artists. The company had been experiencing economic difficulties from inception, struggling constantly to keep its position in the film market and competing against immensely better-capitalised, vertically integrated companies. Its financial problems, however, had been increasing during the 1940s when the rest of the studios opened their gates to independent producers and provided UA with fierce competition. Even in 1946, Hollywood's

golden year, United Artist's profit was a petty $0.4 million out of the $122 million the eight companies earned in total.[20]

A great share of responsibility for United Artists' inability to capitalise on the war boon lay with its management regimes and especially the owners' interference in the running of the company, which never allowed the specialised distributor to follow trends in Hollywood cinema. In the immediate post-war period, these problems were greatly amplified, while the company's perennial lack of working capital certainly did not make things easier. By 1948 UA was losing money at an alarming rate and the banks, already unwilling to finance independent production, refused to support producers who were contracted to release through the company as they considered the distributor 'a poor risk'.[21]

In early 1949 United Artists had only four pictures ready for release, two more in production and no plans for future production. Banks and other creditors had started applying great pressure to secure at least some return on their investment, while by June 1949 the company had lost already $400,000.[22] Various attempts at restructuring failed to produce any results. By early 1951, UA was loosing $100,000 a week and was heading for bankruptcy,[23] until two lawyers with experience in the workings of the film industry, Arthur Krim and Robert Benjamin, took the company over and managed to reverse its fortune. Their success depended to a great extent on their decision to sponsor a particular brand of independent production and on their efforts to forge a distinct type of relationship between independent producers and the distribution company. Within a few years United Artists became the most successful distributor in American cinema, while its distribution and production policies became the blueprint for the ex-studios.

IDENTITY CRISIS

With United Artists virtually out of the picture until the early 1950s and with the banks taking very few risks after 1947, it comes as no surprise that most of the top-rank independents returned to the studios, setting up semi-autonomous units. Despite initiatives by independent theatre owners to form a company that could finance top-rank independent production (in the steps of First National) and the formation of Motion Picture Capital Corporation by two former RKO producers to supply funds to independents,[24] even the most stalwart representatives of independent

production of the previous years (like Frank Capra, Leo McCarey and James Cagney) signed up distribution deals with the studios to secure the future of their companies.

The independents needed the studios to raise finance (because of their tangible assets the studios were in a position to guarantee bank loans) and to distribute their films worldwide (an absolute necessity for films to break even after the drop in domestic attendances). In their turn, the studios needed the independents to provide them with the necessary product (at a time when they had started firing their personnel and reducing their production schedules) and to cut overhead costs by making independent production companies take up slack space on their backlots. Before the end of the 1940s then, studios and independents had already become strong allies. For that reason, when the Paramount Decree gave independent producers the opportunity to compete with the studios on an equal basis, not only were the independents in no position to take up the challenge but, had they taken it up, they would have had to go against the hand that fed them, the institutions that allowed them to exist.

But even if independent producers had the funds to make films away from the studios and the means to distribute them, a major shift in the political climate of the country during the same period would probably have ensured that their films would not stray too far from the mainstream. The Hearings of the House of Un-American Activities Committee (HUAC) in 1947 and sporadically in the following few years until 1953, which sought to cleanse the film industry from communist infiltration, created a climate of political paranoia under which it became extremely difficult for liberal independent filmmakers to present alternative world-views in their films. As Peter Lev argued, in the early 1950s there were many quality American films, but they were all made 'within socially and aesthetically conservative parameters' as the filmmakers who were not blacklisted by HUAC and continued to work in Hollywood could not afford to take any risks whatsoever.[25] This meant that any form of independent cinema would have to cooperate with Hollywood, especially as the heads of the studio-distributors publicly endorsed HUAC's objectives and terminated the employment of over 350 industry workers who had been 'blacklisted' by HUAC as communists or communist sympathisers.

Besides the political climate of paranoia, industrial and economic conditions did not seem to improve as the new decade came in. Between 1950

and 1953 (the first year when box office receipts climbed slightly since 1946),[26] 3,000 theatres closed, while attendance and profits continued to slide. In 1954 it was estimated that less than one third of all US theatres were financially viable, while production of films had dropped to 300 from 425 pictures in 1946 (down 30 per cent).[27] By far the biggest contributing factor in the continuation of the slump in the new decade was television, which offered free entertainment in the comfort of one's own home. The proliferation in the number of television sets between 1948 and 1950 was astounding. In 1948 there were a mere 172,000 television sets in the whole of United States. In 1949 the number had increased to 1,000,000 and a year later to 16,000,000. Equally, the number of commercial television stations climbed from 98 in 1950 to 233 in 1953, providing a staggering amount of additional product to the offerings of the three national networks, NBC, CBS and ABC.[28] According to a federal government survey in 1950, families that owned a television set had reduced their movie-going attendance by an alarming 72 per cent, while their children's visits to the theatre were reduced by an equally problematic 42 percent.[29]

In the face of this protracted economic downturn, independent production – now any form of film production by any company other than majors – became the dominant method of production in Hollywood cinema and can be credited with securing Hollywood's future. Although in many ways independent production in the 1950s and 1960s resembled substantially top-rank independent production of the pre-1948 period, the main difference was in the relationship between the production and the distribution company, a relationship that saw the two parties more as partners, rather than as the former working for the latter. This type of arrangement was to a certain extent reminiscent of the relationship between United Artists and its independent producers in the 1930s and 1940s. What was different, though, was that, this time, the distributor would provide complete production financing in exchange for worldwide distribution rights, therefore asking the independent producer to do only what he or she could do best: produce the film without worrying about raising production funds or marketing the product. Appropriately, the distribution company that first foresaw the benefits of this arrangement and put it into practice was none other than United Artists. According to Tino Balio, United Artists' policies transformed the company 'into a pacesetter of the industry and started a revolution in the motion picture business.' [30]

THE UNITED ARTISTS REVIVAL

Before moving to United Artists, Arhtur Krim and Robert Benjamin managed Eagle-Lion Films, the American-British company that had taken over low-end independent PRC. At Eagle-Lion, Krim and Benjamin initiated a hybrid brand of independent production whereby their company would provide film producers with 'a patchwork of financing consisting of second money, studio credits and completion bonds to supplement conventional bank loans.'[31] Although the company had some success and managed to attract a small number of top-rank independent producers (Walter Wanger, Brian Foy and Edward Small), financial problems – but mainly Robert R. Young's (the company's owner) interference in Eagle-Lion's decision-making – forced Krim to resign in May 1949 and seek other opportunities in the film industry.

Krim and Benjamin approached United Artists in January 1951. After demonstrating to the two remaining shareholders, Mary Pickford and Charlie Chaplin, that the company was only a step away from bankruptcy, they convinced the two owners to allow them to manage the company as trustees for their combined stock for a period of ten years. If United Artists showed any profit at the end of any of the first three financial years under their management, Krim and Benjamin would be invited to acquire 50 per cent of the company's stock for just $8,000.[32] With the two remaining owners finally agreeing to stay away from the day-to-day operations of the company, Krim and Benjamin's regime commenced its battle to save UA from liquidation and potentially become co-owners with Pickford and Chaplin.

After purchasing Eagle-Lion's library of titles, which gave UA some films for immediate distribution and, consequently, some much needed income, Krim and Benjamin sought to secure distribution rights for independent productions. Among others they obtained the rights for Romulus-Horizon's (the second of the two companies owned by Sam Spiegel and John Huston) *The African Queen* (Huston, 1951) and for the Stanley Kramer Productions' *Cyrano De Bergerac* (Gordon, 1951). With both films proving substantial hits, UA started gradually stabilising operations. By the end of 1951, the company had distributed 45 films and had achieved what only a few months before seemed unthinkable, a $313,000 net profit.[33]

With Krim and Benjamin now co-owners, United Artists continued its revival over the next few years. In 1952, it released thirty-one films

including the extremely successful Stanley Kramer Productions' *High Noon* (Zinnemann, 1952), a film that grossed $12 million worldwide and gave Gary Cooper his second Oscar. More importantly, UA started projecting to the rest of the industry and to financial institutions a picture of a rationally managed film distribution company, gradually erasing the memories of mismanagement from its recent past. As a result, it started attracting again independent filmmakers like writer-director-producer Ben Hecht who signed a deal in 1952. In 1953 United Artists upped its releases to forty-five including John Huston's *Moulin Rouge* (1953), and lured one of 20th Century-Fox's top filmmakers, Otto Preminger, to independent production.

Preminger's first film for UA under the banner of his company Carlyle Productions was the controversial *The Moon is Blue* (1953), which the distributor released without PCA approval after resigning from the Motion Picture Association of America. The film proved a solid success, grossing $4 million, and initiated a heated debate about the future of the Production Code, which in the 1950s seemed outdated. Furthermore, and as all the majors were exploring new exhibition technologies (various forms of widescreen, 3-D, and so on) to battle the effects of television, United Artists decided not to stay behind, investing in 3-D. In 1953, the company released *Bwana Devil* (Oboler, 1953), the distribution rights for which it had secured for a sum of $1.75 million. UA lost some money on the film but got great publicity from its involvement with exhibition technologies, which further enhanced its position in the industry.[34]

By 1955 United Artists' reversal of fortune was complete. In the previous year, Hecht-Lancaster (later Hecht-Hill and Lancaster), a newly formed independent production outfit headed by Hollywood star Burt Lancaster, had signed a multi-picture deal with UA and delivered four films in the 1954–5 period alone, including *Marty* (D. Mann, 1955) which won the Oscar for Best Picture. Joseph L. Manckiewicz had also switched to UA for the production of *Barefoot Contessa* (1954), an expensive mystery drama he shot in Italy under his production company Figaro. After a short stint at Columbia, Stanley Kramer returned to UA in 1955 with *Not As A Stranger* (1955), the first of a series of social dramas that would make him one of the most important producer-directors in Hollywood cinema in the 1950s and 60s. Kirk Douglas brought his Bryna Productions to UA for his first film as a producer, *The Indian Fighter* (De Toth, 1955) and so did young filmmaker Stanley Kubrick whose first film as a producer-director with his company Minotaur Productions, *Killer's Kiss* (1955), was released by United Artists.

Table 3.1 Number of production companies that released through United Artists and number of films released by the distributor during the 1951–67 period

Year	Releases	Production companies (including non-American ones)
1951	45	34
1952	31	26
1953	45	34
1954	46	30
1955	33	26
1956	49	34
1957	54	32
1958	43	33
1959	39+1	24+1
1960	28+2	19+2
1961	37+1	19+1
1962	32+4	23+4
1963	20+1	14+1
1964	17+2	13+2
1965	17+2	14+2
1966	19+5	13+5
1967	21+6	16+6
Total	576+24	

In February 1955, Chaplin sold his share in United Artists for $1.1 million to Krim and Benjamin, while a year later, Pickford sold her own 25 per cent of the stock for $3 million.[35] Five years after taking over the company's management, Arthur Krim and Robert Benjamin had become its sole owners and had succeeded in attracting large numbers of top independent producers. Table 3.1 contains the number of independent production companies that released films through United Artists and the number of films the company distributed between 1951 and 1967 (the figures from 1959 onwards include the releases of Lopert, a United Artists' subsidiary of films produced outside the US, which I shall discuss later).[36]

INDEPENDENT PRODUCTION: THE UNITED ARTISTS WAY

The secret of United Artists' success was the adoption of a particular brand of independent production system that had its foundation in Krim

and Benjamin's decision to provide complete production finance to independent producers. Instead of going to the banks or other financial organisations to obtain production funds, especially during a period when banks were unwilling to take risks, independent producers would be financed by United Artists in exchange for worldwide distribution rights of the films they would produce. Although at first sight this arrangement is reminiscent of the agreements some independents made with the major studios in the 1940s (unit production), it nevertheless has a number of characteristics that sets it apart from studio-controlled filmmaking. To identify these characteristics we shall examine the details of a typical distribution agreement between United Artists and independent producer Stanley Kramer's Lomitas Productions, which was signed on 31 December 1957. The contract has two main sections, one that focuses on the details of production and one on the details of distribution.[37]

Production

Under the provisions of the contract Stanley Kramer's company would produce six films (at least three in which Kramer would be a producer-director while in the rest he would undertake only the role of the producer) for United Artists within a three-year period between 31 December 1957 and 31 December 1960. All the films would be prestigious productions, either based on pre-sold properties – including: *Inherit the Wind* (based on a produced play by Jerome Lawrence and Robert E. Lee); *On the Beach* (based on the novel by Nevil Shute); and *My Glorious Brothers* (from the novel by Howard Fast) – or they would be premised on original screenplays (with two screenplays already agreed upon by the two parties: *The Defiant Ones* and *Invitation to A Gunfighter*).

As the films' financier, United Artists retained a number of approvals (or check points) which were essential for the signing of the deal and which included the following:

1. the literary property or subject matter on which the picture is based
2. the production budget
3. the cast budget
4. the production schedule
5. male and female stars

6. the producer
7. the director
8. the locale or locales of production of each picture, if it is to be produced outside the US[38]

As can be seen, the distributor did not retain a right of approval of the screenplay (provided of course that it could be filmed within the approved budget), which was a major concession to a creative producer like Kramer and unheard of in studio agreements with independent producers. Furthermore, the contract specified that the producer would not have to submit daily rushes to the distributor, even though the latter would have the right to view a rough cut of any of the six productions before editing for final cut took place.[39]

In terms of budget, United Artists would lend the agreed funds to Lomitas Productions or, alternatively, would guarantee bank loans to the production company. The distributor would be also responsible for pre-production advances (cost of literary properties; costs of writing the screenplays; other usual pre-production costs), would provide a weekly salary to Kramer for administering the productions for the duration of the contract, and would guarantee completion money (funds allocated to the production company if the film runs over-budget). In other words, United Artists would be the complete financier of Lomitas Productions, from pre-production to completion, but once the agreement (with all the distributor's approvals) took place, the producer would be in effect free to make the type of picture he or she wanted without any form of interference from the investor/distributor.

Distribution

From the time a negative print was delivered to the distributor, United Artists had the right 'to examine the material and make recommendations'.[40] This provision, however, was of consultative nature and could not be forced upon the producer, unless the film was not deemed suitable for exhibition for technical reasons and therefore could not obtain an MPAA certificate. Then United Artists would discuss distribution strategies with a representative of the production company retaining, however, controlling judgement of the overall marketing plan. The distributor then would undertake the release of the film worldwide through its global

distribution network, or in the areas where UA was not represented through foreign sub-distributors.

United Artists was granted permission by the production company, which was the *copyright holder* of the picture, to exploit the film for a period of ten years, after which the production company had the right to buy the distributor's interest in the picture for an agreed price. This was another of the unique selling points of United Artists, an exception among the majors that offered independent producers copyright of their pictures. And if a producer physically owns the rights to the films his or her company produces, then this producer has every reason to lay claim to the label independent, despite his or her relationship with one of Hollywood's seven main companies (by 1958 RKO had gone bankrupt, bringing the number of majors down to seven).

Once the film was in release, the distributor was responsible for the accounting of the film's gross receipts, which were defined as follows:

1. domestic theatrical gross receipts (from US and Canada and from other outlets such as the Army, the Navy, hospitals, and so on)
2. foreign theatrical gross receipts (from foreign markets or outright sales or sub-distribution)
3. incidental gross receipts (non-theatrical and television)[41]

After grosses were collected, the distributor would have to deduct certain standard fees (trade association fees, taxes, industry assessment fees, and so on), before proceeding to obtaining its distribution fee, a percentage of each film's total gross receipts, for the service of releasing a film worldwide. The fee was 30 per cent of the gross receipts in the US and Britain, but it could go as high as 45 percent of the gross in a number of territories (such as Holland, Greece, Finland, India, Mexico, Portugal, Burma, Afghanistan and Pakistan). For the rest of the world the fee was 40 per cent of the film's gross.[42] Following the deduction of the fee, the distributor was left with the producer's share of gross receipts from which it would subtract the costs of advertising and marketing, other advances pertaining to the exploitation of each film, as well as any money owed to talent who had made gross income participation deals.[43] The remaining income (known as the producer's net income) would then be divided as follows, with everything else classed as net profits and divided according to specific agreements with net profit participants.

1. United Artists (the production loans with 6 per cent interest)
2. United Artists (the pre-production advances)
3. Lomitas Productions (for any completion money advanced, if the distributor had not provided this money)
4. Lomitas Productions' sales representatives
5. other people (deferred salaries of director-producer and stars)[44]

As this was a multi-picture deal United Artists and Lomitas agreed also to cross-collateralise profits, that is, to balance profits and losses across the six films for the duration of the contract. In other words, profits from a film could be used to pay for pre-production advances for the next picture, while the final profits for the two parties would be allocated and distributed at the end of the three-year period for which the agreement stood. According to Balio, cross-collateralisation was a protection mechanism for the distributor in case one film by an independent producer made exceptional money, while the same producer's next picture proved a disaster at the box office.[45]

THE REASONS BEHIND THE SUCCESS

United Artists' move to offer independent producers complete production financing, creative control, final cut and a share of the profits differentiated the distribution company from the other majors, for which it was not as easy to adapt to the post-studio era. One great advantage UA held over its competitors was that it did not have a studio backlot and therefore no stars or technical personnel under contract and no overhead costs at a time when studio production started declining and studio employees were turning freelance. Unlike the other majors that were recruiting independent production units to provide them with product but, equally importantly, to make use of the ex-studios' production facilities and empty soundstages for a fee (a practice that inflated budgets considerably), United Artists was happy for its producers to make their own arrangements for the use of studio space provided that their choice would not have any impact on the budget. For this reason, it did not attach overhead costs to the budgets of individual films (with the exception of 1 per cent of the final production budget),[46] at a time when top-rank independent producers at Paramount (such as Hitchcock and De Mille) were forced to pay a large overhead charge to the studio in return for financing, technical

support, distribution and publicity.[47] Needless to say that these charges were among the first to be deducted from the gross receipts long before these filmmakers claimed any profits from the producer's net income.

Furthermore, and because it did not possess a studio lot, UA was the first financier/distributor to encourage production outside the US. Like the other distributors, UA had blocked or frozen capital in several European countries, a result of the protective measures these countries had taken to encourage domestic film production. Runaway productions (as American productions made outside the US came to be known) gave an opportunity to a financier/distributor to utilise those frozen funds by re-investing them in production in the same country, while partnerships with local entrepreneurs, use of local tax loopholes, and considerably cheaper (than Hollywood) labour costs could bring budgets down. Very soon the benefits of runaway production were recognised by the rest of the majors. By 1959 there were 32 US pictures being filmed in Italy, 28 in France and 20 in Britain, while in the following year 40 per cent of all films financed by the ex-studios were shot outside the US.[48] It was clear that this type of production would become a mainstay of Hollywood cinema, especially when in the 1960s various countries' legislations offered subsidies to Hollywood majors to continue making films in their countries.

But, by far, the most important element in the United Artists' arsenal of advantages was the combination of creative control and profit participation, with little or no financial risk for the independent producer. To keep budgets down and potentially increase profit margins, United Artists invited its filmmakers to become co-venturers in their projects, primarily by asking them to defer their salaries. For instance, Stanley Kramer's salary of $75,000 for his role as a producer for each of the six films and of $125,000 if he acted as a producer-director for each of the three films he would decide to direct would be both deferred. Kramer would be paid only a weekly salary of $1,500 for the administration of Lomitas Productions, while he would have to wait his turn to receive either of his deferred salaries or profits from the producer's net income. This meant that for the duration of the three-year contract the filmmaker was guaranteed to receive approximately $225,000 in salary whether his films returned profits or not.[49] Additionally the filmmaker and the distributor would convince the major stars to defer part of their own salaries or accept smaller salaries and make profit participation deals, keeping the budget at very low (compared to the rest of the industry) levels. In this way,

Kramer's films had the potential to return profits, if successful at the box office as, according to Balio, no film distributed by United Artists between 1951 and 1957 succeeded in returning profit to its producer and the distributor. All the profits UA made in those years were purely from the distribution fee.[50]

United Artists continued its impressive post-1951 march to success. In 1957, the company made a deal with the Mirisch Corporation (consisting of three brothers, Walter, Harold and Marvin), who were previously releasing films through Allied Artists. The Mirisch Corporation represented a new type of independent film company, one that specialised in providing a full range of services to filmmakers, including: negotiating contracts and financing; approaching actors for casting on behalf of the filmmaker; arranging pre-production logistics; and even supervising a film's marketing and merchandising worldwide.[51] It was the company's objective to handle all matters pertaining to the organisation of a film production so that the filmmaker could concentrate on simply making the film. This type of company had become a necessity in the new environment of America cinema where a large number of independent filmmakers had to carry out extensive administration work on top of their production duties.

In many ways, the Mirisch Corporation represented the next step to another recent development, the rise of talent agencies into a central position in the American film industry. With the studios no longer generating production deals, talent agencies found an opportunity to expand their main line of work (representing talent in negotiations for film production deals), putting production deals together, preferably by utilising only their roster of clients. Although the Mirisch brothers were not agents, the services they offered covered several aspects of deal-making but significantly extended to cover other areas of production and management.

The foundation of their work was to place a number of commercial directors under contract, believing that they would be able to attract the stars. Through the Mirisch Corporation, United Artists distributed the work of filmmakers such as Billy Wilder, John Sturges, Robert Wise, William Wyler, Blake Edwards and Norman Jewison, responsible for a number of commercial and critical successes such as: *Some Like it Hot* (Wilder, 1959); *The Magnificent Seven* (Sturges, 1960); *West Side Story* (Wise and Robbins, 1961); *The Children's Hour* (Wyler, 1962); *Pink Panther* (Edwards, 1964); and *In the Heat of the Night* (Jewison, 1967). Between 1958

and 1974, the Mirisch Corporation delivered to United Artists sixty-seven films in total,[52] making this one of the most successful agreements between a distributor and a film company in the history of American cinema.

In the 1960s United Artists launched another extremely successful deal, with British producers Harry Saltzman and Albert 'Cubby' Broccoli, who produced for the American distributor the James Bond series of films, starting with *Dr No* (T. Young) in 1962. Finally, United Artists was first among the majors to tap an increasingly large art-cinema market. Since the success of the French film *And God Created Woman* (Vadim, 1956) which grossed $3 million at the US box office, there was an exponential increase in theatres dedicated to non-US fare (from fewer than 50 in the pre-war era to more than 800 in 1958). Equally the number of films imported into the US had risen from 93 in 1948 to 532 in 1957, which of course signalled the existence of a distinct audience for art-films.[53] To lay a claim to this market, UA acquired one of the foremost distributors in the field, Lopert Pictures. Through this subsidiary, UA released a number of films from 1959 onwards, including the very successful, critically and commercially, *Never on Sunday* (Dassin, 1960) as well as a number of other moderately commercial but critically applauded films such as *La Notte* (Antonioni, 1962) and *Persona* (Bergman, 1967). By 1967, the year this second period in the history of American independent cinema closes, United Artists (which had also become a public company in 1957) had transformed into the most successful company in the film industry, ahead of all its competitors.

THE TRIUMPH OF A BRAND OF INDEPENDENT PRODUCTION . . . AND OF THE MAJORS

By the end of the 1950s all the ex-studios had started following United Artists ensuite. Independent production was in full swing with almost 70 per cent of the ex-studios' output being independently produced films, forcing industry officials like United Artists' vice president, Max E. Youngstein, to talk about 'an independent revolution' that had overthrown 'the one-man studio czar system'.[54] Even MGM, the studio that epitomised best the one-man studio czar system (Louis B. Meyer had stepped down only in 1951 after twenty-seven years as production chief), the only studio that had refused to support any top-rank independents in the 1940s and the last company to divest of its theatre chains and fire its

personnel, finally saw the benefits of independent production. By 1957 and under Joseph Vogel's regime MGM had arranged distribution deals with ten independent filmmakers who collectively produced twenty-four pictures in the 1957–8 period and brought in $5 million in profits to the distributor.[55] The new industrial conditions were helped undoubtedly by the loosening of the conservative political and social mores that made politically progressive films almost impossible in the early 1950s. Films in the late 1950s were again 'connected to political, social and cultural issues',[56] while on 11 December 1956, even the Production Code was revised to permit the representation of previously taboo subjects like abortion, childbirth and drug addiction.

As the 1960s came in, the ex-studios were embedded fully in the structures of independent production or, to see it from the opposite perspective, independent production had become the business of the ex-studios, which were transformed into financiers and distributors of independently produced pictures. If after the Paramount Decree they surrendered control of exhibition reluctantly, this time they were more than willing to surrender the next foundation of vertical integration – production – to the independents.

The decline of American cinema, however, continued. Although the slide was not as dramatic as in the late 1940s and early 1950s, cinemagoing simply stopped being a primary recreation activity for the majority of Americans. Already from as early as 1958, the seven majors' earnings from abroad were higher than their domestic revenues.[57] In the same year, music record sales in the US represented a $350 million business, a figure that would increase exponentially in the coming decade.[58] But if the film industry would eventually find a way to share the profits of the music business when the ex-studios started branching out to other media industries, it could certainly not lay a claim on the $1.3 billion of disposable income that Americans were spending on garden products in 1965 for their suburban homes.[59] By 1960 the Hollywood majors were distributing about 200 films per year, while 3 years later the number of releases went down to 143 and movie attendance reached 21 million per week (less than a quarter of what it was in 1946).[60]

The low number of releases signalled a new development in American cinema – the distributors' emphasis on fewer but more expensive films which had the potential to return large profits. Up until 1947, there were only four films in the history of American cinema that had achieved

rentals (the sum collected by the distributor after the exhibitor has deducted its share and before the distributor deducts its fee) of more than $10 million: The *Birth of A Nation* (Griffith, 1914); *Gone With the Wind* (Fleming, 1939); *The Best Years of Our Lives* (Wyler, 1946); and *Duel in The Sun* (Vidor, 1946), the last three being top-rank independent productions. During the 1948–67 period, however, there were forty-one features that went past that landmark, led by *The Sound of Music* in 1965, which achieved the phenomenal-for-the-period record of $72 million in rentals.[61] The emphasis on more expensive films, however, brought with it the potential for greater losses if the films failed at the box office. And with approximately three-quarters of all films released by the majors failing to find an audience,[62] it became obvious that American cinema was heading in a direction where very few expensive films per year had the potential to return the size of profits the ex-studios needed to keep controlling the industry.

More importantly, this development had a significant impact on the types of films that were made (historical spectacles, war films, epics), and, therefore, on the types of films independent filmmakers were forced to produce if they wanted to stay in the game. Between 1951 and 1960, the independents were responsible for seven out of the ten most financially successful films of the period: *The Ten Commandments* (De Mille, 1956); *Around the World in 80 Days* (M. Anderson, 1956); *South Pacific* (Logan, 1958); *Bridge on the River Kwai* (Lean, 1957); *Spartacus* (Kubrick, 1960); *The Greatest Show on Earth* (De Mille, 1952); and *This is Cinerama* (Cooper and von Fritsch, 1952). With the exception of *Bridge on the River Kwai*, all the above films were shot in colour (which enhanced their spectacular elements such as costumes and locations), while all films with the exception of *The Greatest Show on Earth* were made to exploit the new exhibition technologies in which the US distributors had invested to lure audiences out of their homes and to the theatres. Equally, all seven films can be categorised as spectacles or epics and with the possible exception of *Bridge on the River Kwai* are virtually indistinguishable aesthetically from two of the studio-produced films that appear in the top ten: *Ben-Hur* (Wyler, 1959) by MGM and *The Robe* (Koster, 1953) by 20th Century-Fox, leaving the Columbia Pictures-produced and-distributed *From Here to Eternity* (Zinnemann, 1953) as the only film that was not spectacle-driven, even though it did contain also a number of spectacular elements such as exotic locations and one battle scene.[63]

With the majority of US-produced films failing to find an audience and with the policy of fewer but more expensive films carrying a higher financial risk, the ex-studios were in danger of finding themselves in an extremely vulnerable position. For that reason, from the mid-1950s onwards they had started diversifying, mainly towards the broadcasting and the music industries. In this manner they were able to supplement their reduced income from theatrical exhibition with revenues earned in these ancillary markets. The company that pioneered this type of branching out to other media-related industries and revolutionised the film business was a former top-rank independent of the 1930s and 1940s, Walt Disney Productions.

By the early 1950s, Disney was ready to exploit other income-generating avenues than just cartoon production. Perhaps worried that the expansion of television would bring the end of newsreels, cartoon shorts and other forms of theatrical film entertainment,[64] Disney decided to increase animated feature film production, while also branching out into live-action production and the theme park business. After more than a decade distributing through RKO, Disney decided to form its own distribution apparatus at a time when the company's output of feature films had started increasing. Indeed in 1953, Disney formed Buena Vista and distributed its own films including the very successful commercially *20,000 Leagues under the Sea* (Fleischer, 1954). Equally importantly, Disney approached ABC, one of the three US television networks that was lacking in significance and revenues compared to its two competitors, and in 1954 created *Disneyland*, a sixty-minute weekly series. The show, which was a big hit for ABC, promoted Disney's businesses – including the company's upcoming productions – to the vast US television audience for free. The success of *Disneyland*, which was broadcast at primetime, brought a second Disney sixty-minute weekly series to ABC, the hugely popular *The Mickey Mouse Club*, which was also in the business of promoting Dinsey's other ventures (including its famous theme park that opened in 1955), while entertaining the nation's children.

Following these moves, Disney diversified further to exploit cross-promotions in the music industry, the publishing industry and the toy industry, and soon was far away from the marginal position it occupied in the late 1940s. By 1956, it averaged more than $2.5 million in profits, while ten years later that figure had climbed to $16 million, making Disney one of the most successful media companies in the world, with

film accounting only for one third of the company's business.[65] Once again an independent had shown the way. One by one, the major studios started diversifying, mainly into television and music. By the mid-1960s the majors were earning about one third of their total revenues from television production,[66] while Balio remarks that a quarter of all United Artists' revenues for 1966 was coming from its music subsidiary, United Artists Records.[67] For the ex-studios then, which were gradually becoming diversified media companies rather than film financiers and distributors, filmmaking became only one of their activities, though still the primary source of their income (with the exception of Disney). This trend reached its logical conclusion towards the end of the decade when one by one the majors were bought out by conglomerates with interests in diverse, non-media-related fields (see Chapter 6).

Under these circumstances it is not surprising that this particular brand of independent production, the main method of production in Hollywood cinema during this period, was locked in the trajectory of the seven major distributors and consequently became synonymous with mainstream filmmaking. Such a development necessarily suggests that the Paramount Decree did not succeed in its ultimate objective, to dispossess the eight studios of their control and domination of the US film industry. Adverse industrial and economic conditions, a constellation of political, social and cultural factors but mostly the ex-studios' brilliant manoeuvring in a period of recession and their emphasis on the power of distribution to control the business even when production was arranged individually and without their direct participation, made independent cinema the business of the majors. A great contributor to the ex-studios' success in retaining their dominant position in the industry as distributors was the major decline in theatre attendance which in its turn effected an even larger decline in the number of films released. With only 143 films released in a year there was simply no place for new distribution companies to enter the market and compete directly with the seven powers.[68]

CONCLUSION

Despite ultimately being controlled by the majors, independent production post-1948 continued the project of the hyphenate filmmakers of the 1940s who had laid the foundations for a filmmaker's cinema and

had gradually stripped the studios of their distinct house styles. By moving from distributor to distributor, arranging individual or multi-picture deals and by constructing film packages that often were sold to the highest bidder, independent filmmakers in the 1950s and 1960s indeed finished the job that the previous generation had started. Thus, even when the credits continued to present films by Paramount, Universal or Warner, the logo did not mean anything specific. Writing about the production of *Spartacus* (Kubrick, 1960) at Universal one year after the company was taken over by the Music Corporation of America (MCA), a talent agency that grew so powerful in the 1950s that it acquired one of the seven majors, Thomas Schatz noted 'how genuinely independent top-feature production had become even at Universal.' He continued:

> This was an unprecedented production by Universal's standards, and its packaging was equally unconventional . . . *Spartacus* was a European co-production put together by an outside producer, Edward Lewis, and directed by maverick free-lancer Stanley Kubrick. Much of the film was shot in Spain and several of its international all-star cast owed a piece of the production . . . Universal served as no more than the nominal producer, providing production facilities, personnel and distribution. Thus *Spartacus* was by no means a 'Universal picture' in any traditional sense.[69]

The fact that *Spartacus* was not a 'Universal picture', however, did not mean that it was very different formally and aesthetically to other epics of the time such as the Walter Wanger-produced/20th Century-Fox-distributed *Cleopatra* or the MGM-produced and-distributed *Ben-Hur*. Thus although the distinct identities of the individual studios had disappeared completely, there was also a parallel centripetal tendency throughout the industry towards the tried and tested, which eventually eroded any oppositional-to-the-mainstream attitude and made a progressive cinema almost impossible. It was this tendency that laid the foundations for another brand of independent cinema that is discussed in Part 3, after an examination of the low-budget independent market during the 1948–67 period in the following chapter.

Case Study: Stanley Kramer's Lomitas Productions and United Artists, 1957–60

The Defiant Ones (Kramer, 1958, 97 min.); *On the Beach* (Kramer, 1959, 134 min.); *Inherit the Wind* (Kramer, 1960, 128 min.).

Unless otherwise stated all quotes and figures are taken from a number of documents available in Stanley Kramer Papers (Collection 161). Department of Special Collections, Charles E. Young Research Library, University of California, Los Angeles.

Stanley Kramer is arguably the most significant producer-director of social-problem films during the 1950s and 1960s. Starting from the lowly position of a backlot labourer at MGM in the early 1930s, Kramer moved gradually up the industry hierarchy, finally obtaining the position of executive assistant to independent producer David Loew. In 1948, Kramer signed a distribution contract as an independent producer with United Artists, for which he produced five films in four years: *So This is New York* (Fleischer, 1948), *Champion* (Robson, 1949), *Home of the Brave* (Robson, 1949), *The Men* (Zinnemann, 1950) and *Cyrano de Bergerac* (Gordon, 1951). From his first pictures, Kramer developed a reputation for tackling bold, difficult or even taboo subjects which he treated with seriousness and maturity in relatively low-budget films that proved artistically and, especially, commercially successful. For instance, *Champion*, which was shot for under $600,000 in 24 days, dealt with the ugliness and corruption in the world of professional boxing; *Home of the Brave*, which was financed completely by private investors, was one of the first films to deal openly with race prejudice; and *The Men* dealt with the world of heavily injured World War II veterans and their struggle to adjust to life back home. As he put it in an interview, Kramer wanted to 'use film as a real weapon against discrimination, hatred, prejudice, and excessive power' (Aberdeen, 2000, p. 152).

After *Cyrano*, Kramer signed an independent deal with Columbia, for which he produced eleven films between 1951 and 1954, including: *The Death of A Salesman* (Benedek, 1951); *The Wild One* (Benedek, 1953); and *The Cain Mutiny* (Dmytryk, 1954). By far his most successful film during that period, however, was *High Noon* (Zinnnemann, 1952), which Columbia let him produce for United Artists so that Kramer could fulfil an outstanding contractual obligation. During his

four-year spell at Columbia, Kramer, who saw himself as 'a creative moviemaker and not just a business executive', found himself in conflict with the major's boss Harry Cohn several times. Not surprisingly then, when his contract expired, Kramer chose to return to United Artists, which by that time had completed its miraculous financial recovery, for a more enhanced form of independent filmmaking.

In this third chapter of his career as a producer Kramer decided to undertake also the role of a director, becoming a hyphenate filmmaker. His first picture in this dual capacity was *Not As A Stranger* (1955), a film that dealt with the trappings of the medical profession for an arrogant doctor who liked to play God, a solid hit. His second film as a producer-director, however, a widescreen period epic entitled *The Pride and the Passion* (1957) was a major box office flop. Cross-collateralised, the two films left United Artists with a loss of $700,000 (Balio, 1987, p. 143). Despite the loss, however, United Artists and the filmmaker proceeded to the signing of a new multi-picture deal on 31 December 1957, under the provisions of which Kramer had to produce six films and direct three out of these (see this chapter for details of the deal).

The first of these films was based on an original screenplay by Nathan E. Douglas (pseudonym for blacklisted writer Nedrick Young) and Harold Jacob Smith, called *The Defiant Ones* (*TDO*). The story revolves around the escape from a chain gang of two convicts, one black and one white, who hate each other's race but who have to depend on each other for survival as they are chained together. Having spent a record $75,000 for the property, Kramer brought to the deal Curtleigh Productions as a co-venturer. Curtleigh was an independent production company formed by Tony Curtis and his then wife, Janet Leigh. Curtleigh's participation in the production of *TDO* came as a package with Curtis's agreement to play John 'Joker' Jackson, one of the two main leads. For the second lead Kramer hired the leading black actor of the era, Sidney Poitier. With a very low (for the period) budget of $881,904 ($128,196 in total deferred), Kramer completed the shooting in seven weeks, signalling a return to his early days as a producer of low-budget social-problem films that aimed at raising awareness of important social issues.

United Artists' marketing of the film capitalised on Kramer's increasing reputation as a distinctive filmmaker who was 'unafraid to tackle bold and uncompromising themes' and submitted the film to a

number of international festivals 'as an unusual example of American motion picture making'. The distributor also stressed the significance and controversy of the picture, highlighting a number of key points, which included an emphasis on the chain gang (hoping to induce protests against the system) and the prominence of chain linking as a powerful symbol.

The film opened in Chicago to great reviews and then to the rest of the country, winning many awards, including two Oscars (Best Screenplay and Best Black and White Cinematography). Perhaps more importantly for Kramer's image as a social-problem filmmaker, the film was awarded the Newspaper Guild of New York Page One Award for Motion Pictures 'for its civilised, adult approach in motion picture terms to one of the profound problems of our time.' Although it garnered a profit of $1 million for United Artists, the film's returns for Lomitas consisted of a paltry $17,324,71 net profit (Curtleigh, which had made a gross income participation deal, made a substantial profit from the film).

Kramer's next film was *On the Beach* which dealt with another massive social problem, the threat of human extinction from nuclear weapons. The film was based on the best-selling novel by Nevil Shute which dealt with the aftermath of a nuclear holocaust, represented by the lives of Australians as they wait for radiation to reach their continent, the last place with life on the planet. The production attracted a stellar cast that included Hollywood legends such as Gregory Peck, Ava Gardner and Fred Astaire (in an unusual dramatic role). Although Kramer deferred both his salaries as a producer-director, Astaire deferred $40,000 from his own salary and Peck accepted only $250,000 against 10 per cent of gross receipts, the film's budget was almost three-and-a-half times the cost of *TDO*, surpassing the $3 million mark. The film's production lasted for more than two-and-a-half months and like many of Kramer's other films it faced a battle with the Production Code Administration, as the film seemed to promote euthanasia as an alternative to death from radiation.

For the film's publicity United Artists orchestrated a concerted effort to proclaim the film one of the most important films in the history of cinema and to make the premiere day a significant event all over the world. This is evident in the film's taglines which included: 'Never Before in the History of the Industry Has the World Been Linked

Together by One Motion Picture'; 'The First Motion Picture for Everyone All Over the World'; and 'If You Never See Another Motion Picture in Your Life, You Must See *On the Beach*'. The result of this approach to marketing brought an unprecedented simultaneous opening of the film in eighteen major cities in all six continents, while the film was also specially screened for 1,200 selected Soviet officials in Moscow and for the US president Eisenhauer in the White House.

Furthermore United Artists highlighted Kramer's contribution, stressing his individuality as a filmmaker and especially his tendency to 'ignore' or 'throw out' the rules of picture-making in the US and to 'treat with starkly frank fashion' themes that are deemed 'untouchable' by Hollywood. Despite its critical and commercial success (the film grossed $7,189,915 worldwide), the film's high budget and Peck's agreement for gross participation meant that the film lost $700,000.

Kramer's third film, *Inherit the Wind*, tackled the subject of individual free thinking and how it was put on trial when a high school biology

Figure 3.1 Stanley Kramer directing Ava Gardner in the Lomitas Productions Picture *On the Beach*.

teacher was charged with teaching illegally the theory of evolution by Christian fundamentalists in a small American South town in the 1920s. The film was adapted from a play by Jerome Lawrence and Robert E. Lee and was based on the 1925 *Tennessee* vs *John Scopes* trial (also known as 'The Monkey Trial'), one of the most famous trials in American legal history. With the screenplay written by the same Oscar-winning writing team of *TDO*, the film attracted another stellar cast, led by Spencer Tracy, Fredrick March and Gene Kelly (in an atypical dramatic role – just like Astaire in Kramer's previous film). The production was budgeted at a little more than $2.3 million with Kramer and Kelly deferring the whole and part of their salaries respectively, while this time there was only one gross participation deal, that of the two playwrights.

Inherit the Wind provoked an epic battle with the PCA. As the film was attacking religious fanaticism it had the potential of striking a new blow to the already weakened Production Code. Although Kramer accepted some of the recommendations by the PCA (especially that the community depicted in the film was 'not representative of the True Christian faith'), the film retained its polemic nature by assuming an educational tone, mainly represented by Henry Drummond's (Spencer Tracy) monologues that exposed the dangers of bigotry and fundamentalism.

Like with the other two Lomitas pictures, United Artists stressed the controversial elements of the film and Kramer's undisputable value as a filmmaker with a conscience. Despite a number of awards and rave reviews, however, the film's combined US and world gross receipts were $1,792,336. With advertising and marketing costs alone surpassing the $1 million mark, the film recorded a heavy loss ($1.7 million), representing a major disappointment for both producer and distributor.

Although the filmmaker's independence in this case is determined by his production deal with United Artists, Stanley Kramer is also a filmmaker with a personal visual style, an aspect of his work that is often ignored by critics. His trademark is a combination of the use of deep focus cinematography with the use of extremely long takes (often more than two or three minutes in duration while on certain occasions individual scenes consist of just one long take) that allow dramatic situations to develop gradually and reach a peak at the end of a scene. For instance, each scene in *The Defiant Ones* lasts about two-and-a-half minutes on average, while in *On the Beach* and in *Inherit the Wind*, they last three and four minutes respectively).

Because of the emphasis of his films on tense dramatic situations Kramer often uses 180-degree tracking shots (the positions of two characters in a frame switch), which often signify an upcoming dramatic reversal or that one character gains an advantage over another character. This is particularly evident in *The Defiant Ones* and in *Inherit the Wind* which contain two distinctively penned antagonists. Apart from the aesthetic effects such stylistic choices produce, they make the actors' performance easier, as they allow them to act uninterrupted for a substantial amount of time. Under Kramer's direction, Tracy, Poitier and Curtis were nominated for an Oscar for Best Actor in a Leading Role, while the same three along with Frederick March and Fred Astaire won other US and international acting awards.

Although Kramer directed and produced three pictures, he nevertheless did not produce the additional three films his agreement with UA specified. Despite the heavy losses of *Inherit the Wind*, UA and Lomitas signed a new distribution deal on 2 February 1960 for three more films which Kramer would direct and produce, while his obligations from the previous contract were transferred to the new agreement. The filmmaker continued to tackle difficult subjects such as genocide and the Nazi crimes (*Judgement at Nuremberg*, 1961), racism (*Pressure Point*, Cornfield, 1962) and child disabilities (*A Child is Waiting*, Cassavetes, 1963) before scoring big at the box office with the comedy *It's A Mad, Mad, Mad, Mad World* (1963). After these films Kramer moved to Columbia and in 1967 produced arguably his most famous picture, *Guess Who's Coming to Dinner*.

Stanley Kramer managed to establish a significant career by creating a distinct identity for himself and his movies. The downside of this success, however, was that he never managed to make any profits for the various production outfits he had set up. Between 1955 and 1963 Kramer's films lost a staggering $7 million at the box office, a loss that was absorbed by United Artists. The main problem was that Kramer suffered from lack of product differentiation, that is, he produced only one type of picture, the social-problem film. This means that once the appeal of this type of picture passed, he was in no position to follow trends or produce commercially successful films (Balio, 1987, p. 160). As a result, he made a significant contribution to American cinema with certain very distinct pictures, but failed to establish a solvent self-owned production company.

Notes

1. Quoted in Balio, 1987, p. 142.
2. Quoted in Monaco, 2001, p. 26.
3. Monaco, 2001, p. 182.
4. Staiger, 1983, p. 78.
5. Schatz, 1999, p. 323.
6. Tasker, 1996, p. 215; Hillier, 1994, p. 7.
7. Balio, 1985, p. 403.
8. Aberdeen, 2000, p. 158.
9. The figures are taken from Schatz, 1996, p. 435; and Schatz, 1999, pp. 290 and 331.
10. Conant, 1976, p. 352.
11. Balio, 1987, p. 19.
12. Balio, 1985, p. 401.
13. Quart and Auster, 2002, p. 43.
14. Schatz, 1999, p. 295.
15. Cripps, 1997, p. 212; Balio, 1987, p. 124.
16. Quoted in Hagopian, 1986, p. 28.
17. Quoted in Schatz, 1999, p. 346.
18. Lev, 2003, p. 25.
19. Davis, 1997, p. 22.
20. The figure is taken from Gomery, 1986, p. 175.
21. Balio, 1976, p. 216.
22. Balio, 1976, p. 230.
23. Balio, 1976, p. 234.
24. Staiger, 1983, p. 77.
25. Lev, 2003, p. 62.
26. Sklar, 1975, p. 285.
27. The figures are taken from Davis, 1997, p. 30.
28. The figures for the proliferation of TV sets are taken from Balio, 1976, p. 224. The figures for the increase in the number of television stations are taken from Lev, 2003, p. 9.
29. Staiger, 1983, p. 75.
30. Balio, 1987, p. 3.
31. Balio, 1987, p. 25.
32. Balio, 1976, p. 234.
33. Balio, 1987, p. 46.
34. Balio, 1987, p. 51.
35. The figures are taken from Balio, 1976, p. 237.
36. The figures are calculated from 'Appendix 1: United Artists Domestic Releases, 1951–1978 (including Lopert Releases)', in Balio, 1987, pp. 349–87.
37. The contract is available in 'UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement', Box 258, Folder 2, Stanley Kramer Papers

(Collection 161). Department of Special Collections, Charles E. Young Research Library, University of California, Los Angeles.

38. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, p. 2.
39. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, p. 6.
40. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, p. 40.
41. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, pp. 54–6.
42. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, pp. 57–8.
43. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, p. 20.
44. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, p. 21.
45. Balio, 1990, p. 180.
46. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, p. 10.
47. Lev, 2003, p. 202. Although Lev does not include a figure or a percentage of the budget that this overhead charge reached, Balio stated that fellow major Columbia used to charge independent filmmakers such as Stanley Kramer an overhead as high as 25 per cent of a film's budget (1987, p. 141). One could assume that Paramount's charges were similar to the those charged by Columbia.
48. Davis, 1997, p. 34; Monaco, 2001, p. 14.
49. UA Corp – Lomitas OTB, ITW, TDO Financing and Distribution Agreement, pp. 6 and 11.
50. Balio, 1990, p. 170.
51. Balio, 1987, p. 161.
52. Balio, 1990, p. 170.
53. All the quoted figures about the art-cinema market in the US are taken from Doherty, 1988, p. 32.
54. Youngstein is quoted in Doherty, 1988, p. 22.
55. Lev, 2003, p. 198.
56. Lev, 2003, p. 63.
57. Monaco, 2001, p. 10.
58. Balio, 1987, p. 113.
59. Davies, 1981 , p. 121.
60. Monaco, 2001, p. 3; Davis, 1997, p. 62.
61. The number of films that went past the $10 million mark in the 1948–67 period is calculated from the table of Box Office Hits 1914–2002 available in Finler, 2003, pp. 356–9.
62. This estimation is for the year 1961 and is quoted in Monaco, 2001, p. 11.

63. The top ten is taken from Finler, 2003, p. 358.
64. Segrave, 1999, p. 33.
65. The figures are obtained from Finler, 2003, p. 320 and Balio, 1987, p. 317.
66. Davis, 1997, p. 59.
67. Balio, 1987, p. 114.
68. Of course there were several new distribution companies in the art-house cinema field and in the low-budget/exploitation fields, but like in the studio period, these distributors were marginal and in no position to compete in the same arena with the main powers.
69. Schatz, 1996, p. 480.

4

AN AUDIENCE FOR THE INDEPENDENTS: EXPLOITATION FILMS FOR THE NATION'S YOUTH

> The independent filmmaker [in the 1960s] was a little bit like a guerrilla fighter – he could move fast and flexibly and react immediately to the change in circumstances – whereas a large army was like a large studio that had to have a bureaucracy to keep it all together and that would slow down its response time.
>
> Roger Corman, filmmaker[1]

> Producers have always wanted to make 'dignified' pictures. That's not a good word for it. They wanted to make 'nice' pictures. They wanted to make pictures for their mothers and their wives, and their friends. And, damn it, their mothers and their friends don't go to pictures anymore!
>
> Samuel Z. Arkoff, producer and distributor[2]

INTRODUCTION

While the major studios were trying to cope with the effects of the Paramount Decree, but mostly with the impact of the economic recession, the Poverty Row studios had to deal only with the latter. The US Justice Department had concentrated its efforts strictly on the Big Five and the Little Three, leaving all other companies out of the lawsuit as their position in the industry was marginal and their collusion with the Big Five minimal. The recession, however, hit companies like Allied Artists (former Monogram Pictures), Republic Pictures and other smaller outfits in a more

forceful manner than the studios. Not only did the Poverty Row studios not possess adequate resources to cope with dwindling audiences, declining profits and the rise of the big-budget film, they also had to deal with the end of the double bill as a dominant exhibition practice and the closure of hundreds of small, neighbourhood theatres that traditionally were the Poverty Row firms' best customers. More importantly, these low-budget companies faced fierce competition from television, which in those early years became a vehicle for action-oriented, cheaply made shows that were modelled on the B films.[3] If the majors tried to battle with this emergent competitor with investment in new exhibition technologies such as widescreen and 3-D and with extremely expensive epics and spectacles that could be appreciated only on the big screen, the Poverty Row studios were in no position to invest either in technology or in blockbusters, despite their occasional attempts to finance films with budgets that reached the $1.5 million mark in the late 1940s (see Chapter 3).

Although all these effects on the low-budget film market did not become manifest overnight, it could be argued that this category of independent filmmaking entered a new era during the late 1940s/early 1950s. That era was marked by three key elements: new distribution rules (the end of the double bill, at least as it was established in the 1930s and 1940s); an overwhelming emphasis on 'exploitation' as a distribution strategy, as a way of constructing an audience and as a type of motion picture;[4] and, finally, a conscious effort by the low-budget companies to cater for a youth audience, a particularly strong demographic that emerged in the 1950s but was ignored initially by the majors. These three factors allowed companies like Allied Artists and Republic to survive the recession, while a number of newcomers such as Lippert Pictures, Embassy Pictures, William Castle Productions, Roger Corman (through a number of production companies and his own distribution company, the Filmgroup) and American International Pictures tried to lay claim on the market.

Low-end independent filmmaking continued in this guise in a relatively stable manner until the late 1960s when a new, heavier recession led the ex-studios to adopt the low-budget independent mode of filmmaking and create a new brand of independent cinema, which is discussed in Chapter 5. For the purposes of this chapter, the second phase in the history of low-end independent cinema stretches from the early 1950s to the end of the 1960s, and mirrors the duration – though not the central features – of the second phase of top-rank independent filmmaking.

THE EMERGENCE OF THE TEENAGER AND THE RISE OF YOUTH AUDIENCE

The most important development in low-budget independent film-making and, arguably, its salvation during the period of recession was the emergence of a particular audience demographic loosely labelled as youth audience. This demographic, which, according to Barry Keith Grant, covered all people from the age of 10 to 35, included three main subcategories: children, teenagers (a newly coined age group that included young individuals between the ages of 12 and 19) and the post-adolescent or young adults (between the ages of 20 and 35).[5] The last two categories together represented between 70 and 80 per cent of the total film audience during the 1950s,[6] but until the middle of the decade, young adults and especially teenagers had yet to see pictures specifically geared to them.

The most important of these three categories for the low-end independents was the second category, teenagers. As a distinct sociological entity the teenager was a direct product of American society and culture of the 1950s. While teenagers as a distinct group first appeared in the 1940s when a large number of adults were away on military service and therefore certain industries started acknowledging younger people as a new potential demographic,[7] their emergence did not become noticeable until the following decade when conditions of economic prosperity and various cultural changes made the teenagers' presence evident. 'What lent 1950s teenagers a sense of group identity both peculiarly intense and historically new,' Thomas Doherty argues, 'was that their generational status, their social position *as teenagers*, was carefully nurtured and vigorously reinforced by adult institutions around them.' This suggests that for the first time teenagers were actually identified by adult groups as a 'special like-minded community bound together by age and rank', while their 'psychological and physical development was accorded a dramatically public recognition.'[8] As a result the life, style and habits of teenagers became central subjects in public discourse and it was only a matter of time before teenage life became the subject of media representation.

Perhaps the most important effect of the emergence of the teenager in US society – at least from the point of view of the cultural industries – was their inclination to spend a substantial part of their disposable income (approximately 15 per cent or $1.5 billion a year) on leisure activities and cultural products, mainly films, music records and leisure magazines.[9]

Unlike the rest of the potential film audience who were deserting moviegoing for other forms of cultural and recreational activities, teenagers emerged as the most frequent cinema-goers, refusing to follow the trends established by older generations. More importantly, teenagers emerged as the group that led forward a consumer-based US economy, increasingly becoming opinion leaders for the rest of American culture and mobilising a vast array of advertising resources for the selling of cultural products.[10]

With the teenage-led youth audience in place, one would have thought that it would be only a matter of time before the majors moved in and captured that market. This did not prove the case, at least not until the mid-1950s. The majors distributed only a handful of films with a teenage interest, including Stanley Kramer and Columbia's *The Wild One* (Benedek, 1953 – originally entitled *Hot Blood*), MGM's *Blackboard Jungle* (Brooks, 1955) and Warner's *Rebel Without A Cause* (Ray, 1955).[11] All three films, however, were characterised by an adult perspective and seemed to emphasise juvenile delinquency as a social problem rather than targeting an audience of a particular mentality and trying to 'speak' to it.

While the majors were reluctant to address the teenage demographic, the top-rank independents (who by that time had become an integral part of the studio machine) were also unwilling or unable to undertake the task. The reason for this was simple: most of the successful top-rank independent producers were either established movie stars well over the age of 30, or hyphenates who graduated from the studio system and were even older than the former group. In the words of Peter Lev, 'the film industry's structure and the aging personnel circa 1950 were ill-equipped to make such [youth] films',[12] while one should also not forget that those were very conservative times and consequently the production of films about social problems (including juvenile delinquency) was a delicate and dangerous matter.

With the majors and top-rank independents out of the picture, the road for low-end independents was wide open. Recognising early on that teenage audiences in particular want to see films about their own generation, their own problems, their own music, their own style and with their own stars and teen idols, low-budget independent producers provided them with exactly these elements. This move towards catering specifically for the youth audiences by meeting their demand for a particular type of filmed entertainment signalled the emergence of the

'teenpic', a particular type of exploitation picture that took several forms and ushered these independents to a new era of low-budget filmmaking.

FROM POVERTY ROW TO EXPLOITATION AND SHOWMANSHIP

Although the phenomenon of exploitation pictures was as old as cinema itself, the low-budget exploitation films of the 1950s and 1960s represented a drastically different approach to film content from previous forms of exploitation (though this was not the case when it came to questions of advertising and publicity). In previous decades, exploitation films dealt specifically with 'the gratification of forbidden curiosity', more often than not under the pretence of educating the audience.[13] Ostracised from the content of films made by the majors, top-rank independents and Poverty Row studios, taboo subjects such as venereal diseases, miscegenation, homosexuality, drug use, sexual relations outside wedlock, abortion and childbirth found their way into a number of films that were made strictly outside the American film industry, distributed through the states rights market and screened at any place a distributor could get (including tents and warehouses that were transformed into exhibition sites overnight). From the first cycle of sex hygiene films in the late 1910s to the classic exploitation pictures of the 1930s such as *Cocaine Fiends* (O'Connor, 1935), *Reefer Madness* (Gasnier, 1936) and *Assassin of Youth* (Clifton, 1937) to the phenomenally successful *Mom and Dad* (Beaudine, 1945), these types of pictures were never a part of the US film industry.

As a large number of Poverty Row outfits also used the states rights market to distribute their films, they soon realised that they could stir interest for their own films by emulating the outspoken manner in which exploitation films were publicised. For instance, in Chapter 2 we saw how even the bigger Poverty Row studios, like Monogram, made use of exploitation tactics to advertise *Women in Bondage* (1943), a film with a highly exploitable title that dealt with the enslavement of women in Nazi Germany. The use of exploitation techniques in film distribution quickly paved the way for the emergence of a new brand of exploitation film, which this time was made within the structures of the film industry (though still away from the major powers) and which was not disreputable in the same way that the 1930s exploitation films were. As Steven Broidy, president of Monogram Pictures, proudly announced in 1946: 'We make

stories which lend themselves to exploitation. Give us a headline and we can give you a completed picture in sixty days. No major studio can compete with us when we turn them out in a hurry.'[14] Indeed, by that time Monogram was doing outstanding business with two low-budget exploitation films, *Dillinger* (Nosseck, 1945), a film about the famous gangster, and the self-explanatory *Black Market Babies* (Beaudine, 1945), made by the director of *Mom and Dad*.

Broidy's description of Monogram's approach to filmmaking gives a clear idea about the main characteristics of this type of exploitation film:

1. it is based on newspaper headlines with a title as outspoken or controversial as the headlines themselves
2. it covers a number of subjects often in the form of exposé that throws light on various forms of illegal activities
3. it promises – but almost never delivers – controversial or titillating visual material
4. it is produced cheaply and quickly while the subject it is set to exploit is still in public discourse (and therefore is still marketable)

Obviously, the success of this type of film depends heavily on its 'exploitation' during the distribution and exhibition stages, which are designed in such a way as to attract maximum public awareness for the lowest possible amount of expenditure on the part of the distributor. The topicality of the subject, trend or fad that most of these films deal with guarantees them a certain amount of publicity (non-paid advertising), and distributors and exhibitors are ready to exploit any available means to attract paying customers, including exaggerated or even outright false advertising about the extent of the presence of controversial elements in the picture. As Mike Ripps, producer of *Bayou* (Daniels, 1957), a film with the tagline 'Somewhere, a 15-year old girl may be a teenager . . . in the Cajun country, she's a woman full-grown! . . . and every Bayou man knows it!' remarked: '[Audiences] don't come to see a picture, they come to see a show.'[15] And the distributors of low-budget independent films were in the business of ensuring that the show would be memorable, even if the picture almost never was. From that moment on, the concept of 'showmanship' became of utmost importance for producers, distributors and exhibitors of exploitation films, prompting various players in the low-budget market to adopt it as the *modus operandi* of their companies (for

instance, Steven Broidy christened Monogram 'the showmanship company' while the official slogan of American International Pictures was 'dedicated to showmanship').[16]

The exploitation picture and the strong showmanship with which it was marketed found the perfect audience in the emerging teenage demographic of the 1950s. The increased visibility of teenagers in public discourse (and in newspaper headlines) made them appropriate material for the subject of a large number of exploitation films. And as those films dealt with issues relevant to teenagers they specifically targeted them as their main audience, often to the point of excluding other potential audiences. Equipped with a new type of picture for a distinct audience demographic, the low-budget independents were ready to shun their Poverty Row image and readily adopt the exploitation label. A new type of exhibition site that specialised in showing exploitation teenpics and in attracting youth audiences completed the picture, the drive-in theatre.

THE ERA OF THE DRIVE-IN THEATRES

Although a small number of drive-in theatres had existed in the United States since 1933, this type of exhibition site did not become popular until after the end of World War II.[17] The Depression and war years, the inadequate sound technology and, of course, the limited number of automobiles and shortages in petrol (especially during the war years) ensured that the drive-in remained a marginal exhibition site throughout the 1930s. In 1941, the year when in-car speakers were developed, there were forty-one drive-in theatres in the country. That number grew to 300 in 1946 and from then on it started increasing exponentially: 548 in 1947; 820 in 1948; 1,203 in 1949; and 2,202 in 1950.[18]

In many respects, the staggering rise in the number of drive-in theatres was a direct result of the population migration to the suburbs in the late 1940s, the expanding automobile culture that accompanied it and, significantly, the absence of a number of socialising patterns that were available to people in other western countries, especially the European ones. With most of the first-run theatres located in the centres of large metropolitan areas, often many miles away from the suburbs, drive-ins gave suburbanites an opportunity to maintain their movie-going habit, while at the same time making use of their cars. Furthermore, drive-ins offered considerably cheaper entertainment than indoor theatres. During the late 1940s and

early 1950s, drive-ins charged admission per automobile, as opposed to 'hardtop' or indoor movie theatres which charged admission per individual. This meant that a family of six could in fact enjoy a night out for as little as $1.50 or $2.[19] Finally, as Andrew Horton argues, the lack of cultivation of 'European' socialising patterns (such as cafes and strolls in the park or a town's central square) in US towns and cities gradually turned the drive-in into a very significant hub for social interaction, especially among members of the younger generations. [20]

The drive-in 'craze' became even stronger in the 1950s, forcing the industry's trade publications to acknowledge that it was 'the decade's greatest development from the standpoint of exhibition'.[21] By 1956, the number of 'ozoners' (an alternative label for drive-ins) had exploded to 4,700 on the way to a peak of 6,000 two years later (a number that represented approximately a third of all US theatres).[22] The dramatic increase in drive-in theatres coincided with the equally dramatic decrease in indoor theatres during the same period as between 1948 and 1954 the number of hardtop theatres declined by slightly over 3,000 sites, while the number of drive-ins increased by almost 3,000.[23]

Although from the industry's perspective drive-ins were not adequate replacements for traditional theatres (at least in terms of audience capacity),[24] they nevertheless gave the ailing industry a much needed life injection. During their peak, in the late 1950s, drive-in theatres accounted for over 25 per cent of theatre rentals, which was certainly not a negligible figure.[25] What is important for the purposes of this chapter, however, was that drive-ins became the main exhibition sites for the low-budget independents who quickly realised that the main patrons of such theatres were young people, primarily teenagers. Perceived as places where they could consume alcohol without being caught and where young couples could spend time away from the public eye, drive-in theatres became particularly attractive and cheap leisure options for teenagers.

As the drive-in represented a new trend in exhibition, it is not surprising that it was accompanied by a number of novel exhibition practices. The most important one was the 'teenpic double bill'.[26] Unlike the 'classic' double feature presentation of the 1930s and 1940s in which an A film was paired with a B film, the new practice involved the pairing of two films which were similar in budget, duration and, usually, in genre and which targeted specifically the youth audience. The rationale behind this practice was that it allowed the distributor to claim considerably higher rentals

from the theatres than for single-film bookings. This was because low-budget independently produced films normally ended up at the bottom half of a double bill, which meant that the distributor received only a flat fee for the film (as opposed to a percentage of the gross for the top billing). By distributing a pair of similar films, however, the distinction between A and B collapsed, while a low-end distribution company could see both its films as the main attractions and therefore collect a healthy box office percentage, if the films were successful. One of the first such pairings included the American International Pictures-distributed *The Day the World Ended* (Corman, 1956) and *The Phantom from 10,000 Leagues* (Milner, 1956) and proved very profitable for all parties involved.[27]

The success of the practice made this version of the double bill a staple of drive-in theatres. Soon distributors started experimenting with the scheme, sometimes offering a combination in which the second film was the sequel of the first, while often pairing a current release with an old film (thus recycling their product and exploiting further the lifespan of their films). Other variations of this practice included a double feature where the first film targeted a male audience and the second film a female one, triple or quadruple bills, and even dusk-till-dawn multiple shows.[28] Exhibitors were happy to endorse the practice as it meant good business, especially for their concession stands, the profits of which jumped from $15 million in 1949 to $108 million in 1959.[29]

The emergence of the teen audience, the rise of the exploitation teenpic and the explosion of the drive-in laid the foundations for the continuation of low-budget independent filmmaking. It could then be argued that the B film survived in the 1950s and 1960s despite the end of the classic double bill. It simply metamorphosed into the exploitation film that was designed to cash in on any fad, trend, development or topical news that could deliver a young audience. It is now time to see how industrial and economic conditions shaped the low-end independent filmmaking arena during the 1950s and 1960s and which new players emerged during this period.

LOW-END INDEPENDENTS AGAINST TELEVISION

While the decline of the B film market was first noted in the post-World War II years, the practice of the double feature presentation lasted well into the 1950s. Even as late as 1954, approximately 70 per cent of all US

theatres continued to play double bills in a desperate effort to attract a sharply declining audience.[30] But while in the 1930s this particular exhibition strategy paid off by attracting a large percentage of the Depression-hit, starving-for-cheap-entertainment American public, in the 1950s the coming of television put an end to this attraction. This was because television offered entertainment for free in the comfort of one's own home. Thus, while the double bill continued in the first years of the 1950s, its effectiveness as an exhibition strategy was severely tested as audiences stayed away or, when visiting the cinemas, opted instead for the expensive widescreen spectacles that could not be enjoyed on television and which normally played as single bookings in the old first-run theatres.

If television was perceived as a major threat for the ex-studios, it was a life-threatening competitor for the low-end independents. This was mainly because television made unprofitable the cheap 'bread and butter' movies (especially westerns and adventure films) that defined the business of Poverty Row studios. By emulating their cheap production methods and by copying their action-oriented content, early television programmes were shorter versions of B films. For instance, Gene Autry, the phenomenally popular singing cowboy of the Republic westerns, started making pictures directly for television and therefore provided television audiences with content similar, if not identical, to his Republic fare.[31] Pretty soon the old B films actually became television programmes (after being re-edited down to forty-eight minutes per episode to allow for commercials). Realising that this type of programming was successful with the ever expanding television audiences, Republic and Monogram sold parts of their libraries of film titles to television and earned some profits at a time when the future of their feature production was uncertain.

Not surprisingly, the theatrical exhibitors opposed vehemently the Poverty Row companies' decision to make their films available to television and for a while they boycotted Republic's product. With sharply declining theatre attendances, the smaller exhibitors who depended on cheap fare held the view that the repeat appearances of stars (like Autry) on television would result in decreasing their star value.[32] At a time of recession, however, leasing their films to television was perhaps the only solution for the low-end independents which managed to stay solvent in the mid-1950s, largely thanks to the lifeline offered by television.

With B films now readily available on television, rentals from the theatrical market for the ex-Poverty Row studios dropped to such low levels that distributors were finding it difficult to recoup the costs of print and advertising, never mind the costs of production.[33] It could be argued then that television turned low-end independents and theatre exhibitors against each other at a time when they needed one another more than ever. But as theatrical exhibitors suddenly found themselves to have become a secondary source of profit and exhibition outlet – behind television – for low-end independent producers and distributors, it was they that were hurt the most. This is one additional reason (besides the industry recession) why more than 3,000 theatres closed between 1948 and 1954.

But even during the difficult days of the early 1950s, low-budget independents had a number of opportunities to attract production funds, arguably more than their top-rank counterparts. 'Because the Hollywood industry had suffered economic reverses due to anti-trust decisions and the popularity of television,' Peter Lev argued, 'smaller studios and independent production companies found it easier to raise financing for relatively small budget projects.'[34] For instance, important financial institutions like Morris were willing to provide first money for projects such as Lippert's *Treasure of Monte Cristo* (Berke, 1949) 'in way of an experiment . . . to an expansion of motion picture financing activities in lower budget field.'[35]

Other options available were the creation of companies through investment from franchise holders (the way Monogram was set up). Companies like Screen Guild (later Lippert Pictures) and American Releasing Corporation (later American International Pictures) were established in this manner. Finally, and as the market kept shrinking, there was also the option of mergers between small companies in the hope of establishing a more stable basis of operations that could attract production investment from major lending institutions. As *Variety* noted, the point behind the trend for consolidation was that it was 'uneconomic for these minor distribs to compete for the same customers – most of them small exhibs who pay minimum rentals.'[36] However, despite a merger between Eagle-Lion and Screen Classics and negotiations between several companies for a number of merger deals (including one between Monogram and Lippert in the summer of 1950) the consolidation of the low-budget film sector that *Variety* predicted did not, in fact, materialise.

THE EXPLOITATION TEENPIC AND THE COMPANIES BEHIND IT

Sam Katzman

The low-budget independent market started blossoming in 1956 when the first exploitation pictures that targeted specifically teenage audiences proved box office hits. The producer and film that were credited with launching the wave of exploitation teenpics which were to flood American cinema for at least a decade were Sam Katzman and his *Rock Around the Clock* (Sears, 1956 – see the Case Study on p. 160). With almost 200 films behind him as a producer or executive producer for Monogram, Columbia and his own Victory Pictures banner between 1934 and 1956, and with a vast experience in all aspects of the film business, Katzman was one of the few veteran producers in American cinema who 'managed to move comfortably from genre to genre with equal aplomb, giving the same care and attention to every film.'[37] Furthermore he was one of the most, if not the most, prolific producers in the industry (with producer credits in an amazing thirty-seven films during the three-year period 1954–6), aiming at 'entertain[ing] the masses with simple, up-to-the-minute, topical, fast moving fare.'[38]

After the success of *Blackboard Jungle*, Katzman was the first person to realise the potential of rock 'n' roll as a new trend that was worth exploiting. As 'Rock Around the Clock', the song that was heard during the credits of *Blackboard Jungle*, had become an enormous hit, Katzman signed Bill Haley and the Comets, the band that sang the song, to appear in a film. Taking on the title of the song itself, the film *Rock Around the Clock* proved also a big hit. Immediately Katzman started planning a new production based on the latest craze. Eight months after the release of *Rock Around the Clock* (March 1956) and after six other films Katzman produced in between, he had out in the cinemas *Don't Knock the Rock* (Sears, 1956), 'the Real Story Behind The World-Wide Rock 'N' Roll Headlines!', as the film's tagline promised. In the next five years Katzman would produce three more music films with the final one, *Don't Knock the Twist* (Rudolph, 1962), trying to capitalise on a different teenage craze, the twist dance.

The success of Katzman's first film, which was produced under his Clover Productions and released through Columbia Pictures, made other independent producers and major and independent distributors jump on the bandwagon of the exploitation teenpic, starting with the music film

itself. As film critic Thomas Wiener argued, 'the problem with Katzman's films was that they were so widely successful that they spawned endless variations of the formula',[39] as some of the titles clearly illustrate: *Shake Rattle and Rock!* (Cahn, 1956); *Rock, Rock, Rock* (Price, 1956); *Pretty Baby Rock* (Bartlett, 1956); *Rock All Night* (Corman, 1957); and *Jailhouse Rock* (Thorpe, 1957).

American International Pictures

With the teenage market proving large enough to sustain music films and many other types of films with a teenage appeal, the low-budget independents found a new *raison d'être*, catering – in some cases almost exclusively – to this new audience which was ignored by the established powers. This was particularly true for American Realising Corporation (ARC), a small independent distributor that was established in 1954 and had been releasing, to that time, 'old-style' B films. By 1956, ARC had changed its name to American International Pictures (AIP) and was in the business of serving exclusively the youth audience. According to Richard Staehling, AIP, Sam Katzman and Richard Zugsmith (another producer who specialised in exploitation films) were responsible for almost half of the output of teenpics between 1955 and 1969.[40]

ARC was formed by Samuel Z. Arkoff, a lawyer and former television producer, and James H. Nicholson, a former theatre manager. With a small investment (rumours have it in the region of $3,000), 20 per cent out of which was provided by small exhibitors who were getting increasingly desperate for product,[41] Arkoff and Nicholson entered the film business at an extremely difficult time for low-end independent companies. But despite the bad financial state of Poverty Row market leaders such as Republic and Allied Artists, Arkoff and Nicholson believed that conditions would soon improve. Their optimism lay in the belief that the gradual phasing out of the studios' B films would soon create a product shortage in the low-budget film market which ARC would be ready to exploit.

The co-founders of ARC were not wrong. By the mid-1950s, exhibitors were getting so desperate for product that they were 'willing to deal with any moviemaker carrying a 35mm print.'[42] In November of 1955, ARC announced plans to expand its release schedule to one film per month, starting from April 1956. One month before the implementation of the

new schedule, the company had changed its name to AIP and had five independent production units under contract (one of them headed by filmmaker Roger Corman) which would deliver the number of films per year the distributor promised.[43]

The first releases under the AIP banner were two juvenile delinquency films that clearly targeted a youth audience, *Hot Rod Girl* (Martinson, 1956) and *Girls in Prison* (Cahn, 1956). By October 1956 the company had out the first successful imitation of Katzman's *Rock Around the Clock*, *Shake Rattle and Rock!*, while the rest of its films for the year included other teenpics such as *Runaway Daughters* (Cahn) and two science fiction films, *The She-Creature* (Cahn) and *It Conquered the World* (Corman). The company's science fiction films were also in the process of being 'juvenilised' so that they could become more appealing to the new teenage audience. As Garry Morris has argued, irrespective of the genre to which they belonged, AIP's 1950s films focused specifically 'on teenagers and other socially unempowered groups and their inability to assimilate into a society whose conventions (conformity, ambition) they ridiculed and rejected.'[44] This meant that teenagers were consciously placed in the foreground, primarily as narrative agents, while their way of life, style and problems were also brought centre stage.

Equally importantly, the company made a conscious decision to minimise the participation of adults or other 'figures of authority' in its films, making even more explicit its intention to focus exclusively on teenagers and young adults.[45] Thus, despite the fact that trade publications such as *The Hollywood Reporter* described repeatedly AIP pictures as 'badly-written, sloppily-edited, poorly-directed low-budget film[s]', their target audience did not care.[46] The classical model of American filmmaking (as exemplified by the technical perfection of studio films) that was important for adult audiences was not important for teenagers, as it was not for immigrants, children, ethnic and rural audiences who enjoyed the B films and the Poverty Row 'quickies' in the previous decades. Apart from sharing a strong lineage with the old-style B films, then, independent filmmaking of the 1950s and 1960s can also claim to be performing the social function that low-end independents during the studio era performed, catering for the audiences excluded by mainstream cinema.

Although the financial success of AIP was relative compared to the profits of the majors, the company quickly established itself in the

low-budget market as a leader. By 1958, its five independent units had already produced 58 features while AIP became the first new exploitation company to release its films in hardtop and drive-in theatres at the same time (no small feat as indoor theatres normally refused to play a film at the same time as a drive-in theatre).[47] Working quickly and efficiently, AIP provided financing to its contracted producers who would make films on a budget as low as $100,000–$150,000 within two to three six-day weeks. However, AIP's total investment in its films was much higher than this figure (closer to the region of $250,000) as it spent wildly on the advertising of its product.[48] Much more than for its actual films, which were characterised by a style 'as distinct and as identifiable as that of Orson Welles',[49] AIP became famous for its approach to distribution and publicity, areas in which the company excelled.

The foundation for an AIP film was a sensational or topical premise around which the company's marketing campaign could be built. Arkoff and Nicholson have admitted unapologetically that their starting point for the production of a picture was a catchy and exploitable title before they moved to secondary questions such as writing a script for the film.[50] A typical example of this process can be seen in the production history of *The Wild Angels* (Corman, 1966), which spearheaded the cycle of biker films, a production trend that continued well into the 1970s.

After a frustrating time at Columbia, Roger Corman was approached by Arkoff and Nicholson to discuss the possibility of a new film for AIP that would be produced in the spring of 1966 and exhibited during the summer drive-in season. After discussing extensively 'what was going on in the country at the time',[51] Corman suggested a film about Hell's Angels, an idea he had got from a picture of a Hell's Angel funeral that he saw in *Life* magazine.[52] As this was the time when the Hell's Angels phenomenon was coming to prominence, Arkoff and Nicholson found the concept highly exploitable and immediately greenlit the film. Corman then visited a number of Hell's Angels hangouts to research the screenplay but also to try to persuade the Angels to appear in the film, which would provide the picture with immense free publicity. The Angels shared with Corman a number of stories, some of which the filmmaker used in the film as distinct plot lines, while they also agreed to participate in the production. Not surprisingly, according to McGee and Robertson, the film 'emerged as more of a series of anecdotes than a cohesive story', but carried a stamp of authenticity that did not exist in similarly themed films.[53]

Figure 4.1 Their credo is violence. Peter Fonda, Bruce Dern and other Hell's Angels are ready for trouble in Roger Corman's *The Wild Angels*.

Although the participation of the Angels in the film did give the project great publicity, AIP and Corman did not stop there. The film was advertised with the controversial tagline 'Their Credo is Violence, Their God Is Hate . . . and They Call Themselves the Wild Angels', while further advertising referred to it as 'the most terrifying film of our time', promising a shocking spectacle that would unsettle audiences. The accompanying poster featured the leather-clad Peter Fonda and Nancy Sinatra while giant flames and a bikers' parade were featured in the background. With a number of theatre owners refusing to book the picture after its preview, the film generated 'a storm of controversy unequalled in the genre [of Juvenile Delinquent films] since the days of *Blackboard Jungle*.'[54] The outrage and controversy, however, did not discourage audiences; on the contrary, the box office performance of the film justified fully AIP and Corman's exploitation approach. The picture grossed more than $5 million during the first month of its release, becoming AIP's highest-grossing title to that date.

Although *The Wild Angels* was produced and released towards the end of the second era in low-end independent filmmaking, it nevertheless demonstrates clearly AIP's expertise in low-budget films which were based on exploitable subjects. Throughout the years, the company became such an expert in this type of filmmaking that it created a number of production cycles and trends that other independents (and often major studios) followed, while also maximising the exploitation of cycles started by others. Since its inception and until the late 1960s, AIP virtually created:

1. the low-budget science fiction/horror trend
2. the 'sand and spear' cycle (which even though it was started by Embassy Pictures became another of AIP's specialties)
3. the classic horror cycle (mainly Corman-produced films based on Edgar Alan Poe's short stories)
4. the beach films (launched with the extremely successful *Beach Party* [Asher, 1963])
5. the biker/protest film (*The Wild Angels* spawned a large number of imitations and variations, at least twelve of which produced by AIP)[55]

Besides Arkoff and Nicholson's ability to read the teenage market and establish trends, the company's success was undoubtedly founded on its '"state-of-the-art" marketing campaigns',[56] which exploited every possible outlet that could publicise their films. Table 4.1[57] offers a codification of the principles behind AIP's approach to marketing (the formula for success) and the rationale behind choosing to cater for the teenage audience (the Peter Pan Syndrome).

Another important reason for AIP's success was that its co-founders and senior executives understood from the very beginning that the company operated firmly within the exploitation market and therefore had no pretences about making art (unlike the majors and the top-rank independents). This realisation allowed the AIP officials to place an unabashed emphasis on the commercial aspects of their pictures, being neither afraid nor ashamed of creating a coarse image for their company during the 1950s and 1960s, which was far removed from the dignified image of the majors.[58]

The success of AIP in the exploitation arena mobilised other low-end independents. By the late 1950s/early 1960s the company was facing great

Table 4.1 American International Pictures' approach to marketing and audience

The formula for success	The Peter Pan Syndrome
OBSERVE trends and emerging tastes	a younger child will watch anything an older child will watch;
KNOW as much as possible about your audience	an older child will not watch anything a younger child will watch;
ANTICIPATE how you will sell your chosen subject	a girl will watch anything a boy will watch;
PRODUCE with prudence, avoiding expense for what won't show on the screen	a boy will not watch anything a girl will watch; therefore
SELL with showmanship in advertising and publicity	to catch your greatest audience you zero in on the 19-year old male
USE imagination	
HAVE good luck: even if you do everything else right, you'll still need it	

competition from a number of imitators who had one advantage over AIP, namely they could produce exploitation pictures for the youth audience even more cheaply than AIP. According to Arkoff, as early as 1959, AIP was in no position to continue with its teenpic double bills as such combinations by other companies had flooded the drive-in market, making a serious dent in AIP's profit margins.[59] The threat of imitators overtaking the innovator was permanent for AIP, forcing its founders to look constantly for the new fad that would create the new trend or cycle, which would place the company ahead of competition once again. Two of AIP's biggest competitors at the beginning of the 1960s were Joseph Levine's Embassy Pictures and William Castle Productions.

Embassy Pictures

Levine was another great believer in the importance of showmanship, even though he was firstly interested in good scripts and secondly in whether the stories in these scripts were 'promotable'.[60] Originally a small exhibitor based in New Haven, Connecticut, Levine set up a regional distribution company, Embassy Pictures, to release foreign art-films (especially Italian

neo-realist successes such as *Bicycle Thieves* [De Sica, 1948]) in the New England territory. As interest in foreign films increased during the 1950s, Embassy was not in a position to compete with Lopert or other distributors of art-house films that operated nationally. Still, the company was successful enough to expand its operation along the East Coast of the United States. In 1956, Embassy scored a substantial commercial success with a dubbed version of *Godzilla, King of the Monsters!* (Honda, 1954; extensively re-edited by Terry O. Morse in 1956), which it distributed in the eastern states.

Swapping the foreign art-film for more popular, action-oriented non-US films was a major coup for Embassy. In 1958, Levine bought the US distribution rights for an Italian production based on the legend of Hercules under the title *Le Fatiche di Ercole* (Francisci, 1958) for $125,000. After changing the film's title to *Hercules* and dubbing it into English, Levine spent almost 10 times the acquisition fee in promotion and advertising ($1,156,000), while also saturating the market with 600 prints. The film grossed $15 million and established Embassy as a very promising new distribution outfit.[61] During the 1950s and 1960s, however, Embassy remained first and foremost a distributor of imported art and popular European films, while only occasionally venturing into the finance, production and distribution of American films, exploitation or otherwise. Thus Embassy Pictures was the financer and distributor of the prestigious film adaptation of Eugene O'Neill's masterpiece *Long Day's Journey into Night* (Lumet, 1962) with Katherine Hepburn and Ralph Richardson, while also distributing low-budget exploitation films such as *Village of the Giants* (Gordon, 1965). Embassy became a major player in the American market after 1967, when it distributed *The Graduate* (Nichols, 1967), one of the key films of the next phase in the history of independent cinema.

William Castle Productions

Unlike AIP and Embassy, William Castle Productions was just a production outfit with no stakes in distribution. Operating under the rule that a producer is equally responsible to the distributor for publicising his/her pictures, William Castle, the head of the company, brought this rule to the extreme. Castle had been working for Columbia as a director of B films from 1943 until the mid-1950s, often directing Sam Katzman productions. In 1958, he established his own production company, which in a way

was a throwback to the studio times as all creative personnel were under contract to Castle. Like the other exploitation companies in the low-budget arena, Castle realised that he had to make films that were tailored to a young audience. Unlike his competitors, however, Castle did not only concentrate exclusively on the teenage and the young adult demographics. He also targeted aggressively children as young as nine years old, creating a core audience (spanning from nine- to sixteen-year-olds) for his low-budget horror films.[62] Furthermore, and unlike any of his competitors, he made himself a well known public figure by making cameo appearances in his own films as a narrator, often talking directly to the camera, providing prologues and epilogues to the stories his films told or introducing his latest gimmick that more often than not was the main attraction for the audience of his films. From the very beginning he placed his name on the marquee advertising his films, while the phrase 'William Castle Presents' always preceded every other title in the opening credits.[63]

Castle's panache for introducing often very elaborate gimmicks to increase ticket sales of his films has been unequalled in the US film industry and has brought onto him, not unjustifiably, the label 'King of the Gimmicks'.[64] For his first film under the banner William Castle Productions, *Macabre* (1958), he took an insurance policy with Lloyd's of London for each ticket-buying customer, in case someone died during the run of the film from fright. For his second film, *House on the Haunted Hill* (1959), Castle came up with 'emergo', a black box installed close to the screen of theatres, out of which a twelve-foot plastic skeleton would emerge to scare audiences at a specific time during the film. The production of the film cost Castle $150,000, but the creation of 'emergo' proved a much more expensive investment, in the region of $250,000.[65] The gimmick enabled Castle to enhance the audience's experience of *House on the Haunted Hill*, creating a show that was more memorable than the film itself, while at the same time building up a very young clientele that clearly did not visit the cinema in order to obtain pleasure from the narratives of his films. As filmmaker John Waters remarked:

> Emergo was perfected and installed in theatres all over the country. The kids went wild. They screamed. They hugged their girl friends. They threw popcorn boxes at the skeleton. Most important, they spent their allowance and made the film a huge hit.[66]

The great success of *House on the Haunted Hill* (the film grossed over $3 million) encouraged Castle to come up with progressively more outrageous gimmicks, which broke many of the rules of classical filmmaking by becoming integral parts of the film narratives themselves, calling attention to the artifice of filmmaking. For his third film, *The Tingler* (Castle, 1959), the filmmaker made use of 'percepto', a device that sent slight electric shocks to a number of theatre seats at a specific point in the film – when the narrative was interrupted by Castle's voice asking the audience to scream – causing spectators to jump off their seats in fear. Next came 'Illusion-O', a sort of ghost viewfinder that was handed to viewers upon entrance to the cinema, which allowed them to see at specific times one or more of the film's *13 Ghosts* (1960). While the narrative was being unravelled, the phrase 'look through your ghost-viewer' appeared at the bottom of the screen several times cueing the audience (and attracting attention away from a thinly plotted story) to expect the appearance of ghosts which could only be seen through the device.

For his fifth film *Homicidal* (1961), Castle introduced the 'Fright Break'. Once again the narrative was interrupted and Castle's voice was heard saying: 'This is a Fright Break. You hear that sound? The sound of a heartbeat? It will beat for another sixty five seconds to allow anyone who is too frightened to see the end of the picture to leave the theatre. You will get your full admission refunded.' To ensure that a minimum of cinema patrons would ask for their money back, Castle came up with 'Coward's Corner' whereby if a person wanted to leave the auditorium and ask for a refund, they would be humiliated in front of the entire cinema audience by having to follow yellow footsteps up the aisle, past written messages that read 'Cowards Keep Walking', and under the sound of a recording that shouted 'Watch the chicken! Watch him shiver in Coward's Corner!'[67] For his next feature, *Mr Sardonicus* (1961), the filmmaker allowed the audience to determine the end of the narrative by inviting them to fill in polling cards with which they would decide the fate of the film's villain. For that reason he prepared prints with two endings, letting spectators decide which ending would be screened. By the time of *13 Frightened Girls* (1963) and *Straight-Jacket* (1964), the course of the extreme gimmick had reached its end. Taking on board the reviewers' criticisms that he could not produce a successful film without gimmicks, Castle moved into more conventional filmmaking. He did manage to prove his critics wrong, however, as a few years later William Castle Productions became responsible for the

seminal horror film *Rosemary's Baby* (Polanski, 1968), which was produced for approximately $3 million and grossed more than $30 million at the US box office.[68]

Roger Corman and the Filmgroup

Although both Embassy and William Castle Productions were important exploitation companies throughout the period, they nevertheless did not directly compete with AIP, opting instead to concentrate their efforts on different segments of the youth audience (young adults and young children respectively) thus leaving the bulk of this audience, the teenagers, to AIP's exploitation fare. Ironically, one of the most important competitors of AIP was one of the company's producers, Roger Corman. Arguably as prolific as Katzman, Corman made low-budget teenpics at such a fast pace that he was distributing them theatrically through three different companies, AIP, Allied Artists and his own small distribution outfit, the Filmgroup, while occasionally making pictures for other distributors such as The Woolner Brothers Pictures and Howco International Pictures. Because of his long-term association with AIP (1954–69) as a producer-director, it is easy to overlook his contribution to the rise of the various forms of exploitation teenpics in the mid-1950s, giving the credit instead to the distributor. However, Corman's impact on the field of low-budget teenpics and his methods of exploitation were as important as Arkoff and Nicholson's, if not more so. For instance, film historian Wheeler Dixon maintains that 'outside of William Castle no other director used as much gimmickry as Corman did.'[69] For all these reasons, Roger Corman deserves as much credit for AIP's success as its co-founders.

Corman started his career in the late 1940s as a messenger and later story analyst at 20th Century-Fox, but quickly got disillusioned with the cumbersome manner in which filmmaking took place within the major. After a short stint in Europe, he came back to the US to write, direct and/or produce low-budget films, but almost immediately dropped the writing to concentrate on the other two roles. Between 1954 and 1959 Corman produced and directed twenty-three films, while taking the producer credit in ten additional pictures that were directed by others. According to Peter Lev, it was Corman who recognised first the emergence of the teenage audience,[70] but as he was mainly working within the science fiction/horror genre, he did not initially participate in the outburst of music films

in the mid-1950s that have been recognised as the first wave of exploitation teenpics. Instead, he worked actively in shaping the conventions of the science fiction/horror cycle (the films of which are often called 'weirdies'), making it also appealing to a younger audience and in the process 'setting in granite the teenpic exploitation style.'[71]

Corman's approach to filmmaking was very similar to Arkoff and Nicholson's. According to Dixon, 'the Corman formula' consisted of four main elements:

1. spend no money
2. play up the basest, most sensationalistic angle
3. exaggerate wildly in the advertising
4. book each film in as many theatres at once as possible to forestall negative word-of-mouth[72]

Despite the emphasis on exploitation, Corman's extremely speedy and efficient way of filmmaking, which often involved only one day of preproduction per film,[73] allowed him to experiment with the formal elements of filmmaking, repeatedly transcending the boundaries of his chosen genres and the limitations of his cheap productions. His filmmaking practices and the emphasis he placed on topical issues, even within the 'weirdie' movie framework, allowed him (and some other exploitation filmmakers) 'to achieve a particular topicality and cutting edge social relevance which the mainstream industry could not match.'[74] This was particularly evident in his science fiction films which have been interpreted as allegories for the anxieties about nuclear destruction during the 1950s and 1960s as well as in his ultra-low-budget, black comedy feature *The Little Shop of Horrors* (Corman, 1960) which shows the dark face of the consumer revolution of the 1950s.[75] Whether Corman's success was through 'accidental incompetence' and/or 'deliberate subversion of industrial codes', as David E. James speculates,[76] his films left an indelible stamp on the 1950s and 1960s. Furthermore, and during the mid-1960s, Corman attempted to bridge his exploitation film techniques with influences from the European art-cinema (particularly evident in *The Wild Angels*) in the hope of having his films played at both art-houses and drive-ins.[77] The result was a new style of filmmaking that was recuperated by the ex-studios and became one of the precursors of what film historians have called the Hollywood Renaissance (see Chapter 5).

Finally, Corman also ventured into film distribution through the formation of The Filmgroup, a very small releasing company operating with a skeletal staff and a few booking exchanges. Although The Filmgroup's distribution output remained very limited (twenty titles in five years) and the company recorded minimal profits (between $1,500 and $3,000 a year),[78] it nevertheless proved a very important stepping stone for Corman in terms of learning the distribution business. Thus, in 1970 and after a falling-out with AIP over the release of *Gas-s-s-s* (Corman, 1970), the filmmaker was ready to make much larger steps in the field of distribution. He established a new production/distribution company, New World Pictures, which became very successful in the exploitation sector.

Corman, Levine and Castle were only the tip of the iceberg in the low-end independent production/production-distribution market. Throughout the 1950s and 1960s and as the youth audience continued to embrace exploitation pictures, there has been a very large number of producers and distributors that were set up to 'exploit' the opportunities offered by the teenpic. Most distributors, however, enjoyed a rather short lifespan, releasing only a small number of films before eventually going out of business.

THE MAJORS AND THE LOW-BUDGET EXPLOITATION MARKET

Besides the volatile conditions of the low-budget exploitation market, the main reason behind the inability of new distributors to establish themselves was the majors' presence in that same market, after the mid-1950s. Universal and Columbia in particular became key players in the finance and distribution of exploitation films. Having been important producers and distributors of B films during the 1930s and 1940s, Universal and Columbia moved also to the teenage market when they saw the low-end independents' success in the mid-1950s. Not having the power of the Big Five to invest in new exhibition technologies or the foresight of United Artists to redefine the rules of top-rank independent production, the two majors came to depend on the success of exploitation films, while also playing cautiously in the mainstream market.

Specifically, Columbia depended on the success of the low-budget productions of Sam Katzman, in order to invest in bigger pictures for adult audiences, like *Picnic* (Logan, 1955) and the Stanley Kramer productions

like *The Caine Mutiny*. Equally, Universal counted on the success of films like *The Creature Walks Among Us* (Sherwood, 1956) and the Zugsmith-produced exploitation pictures like *The Incredible Shrinking Man* to be able to invest in films like *Written in the Wind* and *The Tarnished Angels* (Sirk, 1956 and 1958 respectively), both of which were also produced by Zugsmith. Soon companies like MGM, Warner Bros and Paramount were also in the game, with the first distributing another film made by Albert Zugsmith Productions, *High School Confidential!* (Arnold, 1958); the second releasing the Devonshire Productions' *Untamed Youth* (Koch, 1957); and the third distributing Aurora Productions' film *Mister Rock and Roll* (Dubin, 1957).

Although the majors did not desert their core adult audience, they nevertheless claimed more than substantial profits from the youth market until the end of the 1960s. For that reason, it was impossible for the low-budget independent market to sustain more than a handful of distributors, which partly explains why only one such company, American International Pictures, made a name for itself and is best remembered as the main representative of exploitation filmmaking that targeted teenage audience during the period.

CONCLUSION

Despite the lack of real challenge towards the power of the majors, low-end independents in the 1950s and 1960s were considerably more successful than their Poverty Row predecessors in the previous decades. Their shift to exploitation strategies and, especially, their conscious targeting of the teenage audience took them away from subsequent-run theatres (even if the drive-ins were perceived as the new subsequent-run exhibition sites) and put them at the centre of developments in American cinema, at a time when no firm direction for its future was apparent.[79] While the majors were in a deadlock trying in vain to rediscover the mass audience of the war and pre-war years, for the low-end independents one particular segment of the audience was large enough to keep them in business.

Away from the shadow of the majors, these low-end independents did not have to adhere to tested formulas and subject matters that originated during the studio years. From its very nature, the concept of the exploitation picture depends on the dramatisation of topical issues (rock 'n' roll; juvenile delinquency; motorcycle culture; surfing culture; and so on), the

novelty of which often attracted new cinematic approaches. Of course once one exploitation picture was successful, then it provided a sacred formula for an often large number of imitations. But unlike the films of the majors, which operated clearly within genre frameworks that have existed for decades, the films by the low-end independents operated in cycles that were never longer than a period of a few years (beach party films) and sometimes shorter than a year (calypso music films). This means that potentially all formulas were renewed every time a new trend arose, apart from some written-in-stone elements such as the low-budget, the wild exploitation and the target audience.

This process allowed a number of filmmakers to experiment not only with issues revolving around the dramatisation of a novel subject, but also with formal elements of filmmaking in a way that studio or top-rank independents would never be allowed. From the use of narrative as a thinly disguised vehicle for rock 'n' roll performances in *Rock Around the Clock*, to the integration of exploitation gimmicks in the unravelling of stories in William Castle's films, to the introduction of art-cinema techniques (jerky camera movement, rapid pans; extreme long shots) and rock soundtrack as non-diegetic accompaniment in *The Wild Angels*, low-end independents certainly helped expand film language in American cinema. They also taught the majors a lesson about where the audience for motion pictures is. In the late 1960s, the majors finally moved forcefully to the low-budget arena to find solutions to problems that started twenty years earlier with the disintegration of the studio system and continued ever since. American independent cinema was about to enter a new phase in its history.

Case Study: The birth of the exploitation teenpic
Sam Katzman and *Rock Around the Clock* (Fred F. Sears 1956, 77 min.), produced by Clover Productions, distributed by Columbia Pictures.

On 12 April 1954, Bill Haley and the Comets recorded 'Rock Around the Clock' for Decca Records. The song in its initial release did not prove a success. Almost a year later and after its use in the film *Blackboard Jungle*, the song was re-recorded for Private Records and re-released with spectacular results. On 5 July 1955 it went to number one in the US *Billboard* music charts where it stayed for eight weeks, selling

over 1 million records. Although this was not the first 'rock 'n' roll' song, '(We're Gonna) Rock Around the Clock' (to give it its full title) became the first such song to break into the mainstream, which in this case meant becoming popular with the white teenage demographic that had been emerging as a distinct social entity.

The popularisation of the song was certainly assisted by the fact that Haley and his band were white musicians as well as by the success of *Blackboard Jungle*. Reports from theatres around the US claimed that teenagers were getting 'agitated' and dancing in the auditoria during the run of the song over the film's credits, while one theatre in Boston played the first reel of the film without sound to avoid extreme teenage agitation. Despite attempts to limit its appeal, the song spent nineteen weeks in the US top ten, twenty-five weeks in the top forty and thirty-eight weeks altogether in the charts during its second release. According to *Guinness World Records* it is the second best-selling record of all time (after Bing Crosby's 'White Christmas') with sales of over 25 million units.

As the music and song were still in the process of being accepted by the white listeners (MGM had bought the rights of the song for *Blackboard Jungle* for a mere $5,000), Sam Katzman signed the band for a film about this type of music which he would produce, while one of Columbia's most prolific in-house directors, Fred F. Sears, would direct. Prior to this film, Katzman and Sears had made together *Teen-Age Crime Wave* (1955), one of the first exploitation films on juvenile delinquency (the title of which was taken from a newspaper headline) and one of the first films by Katzman under Clover Productions, a company he set up in 1955. The film's marketing campaign made explicit reference to rock 'n' roll music as an attraction for the teenage audience and the advertising kit distributed to the theatres called exhibitors to make use of rock 'n' roll tie-ins, including advertising the film on the radio during programmes that played such music.

In true exploitation fashion, *Rock Around the Clock* was shot in two working weeks with a budget of less than $300,000. Having received training in filmmaking in the Larry 'Buster' Crabbe serials and produced films for Poverty Row companies for many years before he joined the B units of Columbia, Katzman co-ordinated smoothly a production, the central points of which were the music performances

by the rock 'n' roll stars. By the end of January 1956, when the song had already been a smash in the US (but was still in the process of taking over the rest of the western word), the film was ready and Katzman and Columbia started working on the advertising before its release on 21 March 1956.

With immense free publicity from the appearance of Bill Haley and the Comets, the featured songs and especially the film's title, Columbia and Katzman proceeded in flaunting these assets as much as possible. This is clearly evident in the poster for the film which featured the names of the performers in large letters as well as a number of images of dancing couples, which unmistakeably targeted the teenage audience.

Not surprisingly, the film opens with 'Rock Around the Clock' playing over the titles. From the very beginning it is clear who the protagonists of the film are. As the opening credits roll, it is the performers who are introduced first and then the actors. The narrative revolves around the efforts of a band manager, Steve Hollis (Johnny Johnston), to make rock 'n' roll music (in the shape of Bill Haley and the Comets who maintain their real names in the story) known in New York and then in the rest of the country. Obstacles in the form of a large talent agency that refuses to support the band and bookings in the wrong places throw his plans back. Help, however, arrives in the shape of rock DJ Alan Freed. He introduces the band at one of his music nights in a nightclub and once they play 'Rock Around the Clock' the band and the song become an immediate hit. Last-minute obstacles placed in their path by the same talent agency are overcome and the film finishes with the triumph of the music as well as the formation of a couple, as Steve and Lisa (a dancer with the band) get married.

Perhaps the strongest formal element in the film that breaks from traditions of mainstream cinema is the constant interruption of the narrative by performances of hit songs such as 'See You Later Alligator', 'Rock, Rock, Rock, Everybody', 'R-o-c-k' (all by Bill Haley and the Comets) and 'Only You' by the Platters. Excluding the opening credits, the seventy-seven-minute film contains fourteen performances that take up approximately half of its duration, leaving about forty minutes for the unfolding of the narrative. Although such narrative interruption is not uncommon in American cinema, as there is a strong tradition of Hollywood musicals where a story is constantly interrupted by musical

numbers, *Rock Around the Clock* foregrounds the performances to such an extent that the already schematic narrative becomes not only subordinate to them, it becomes almost redundant. It could be argued then that each narrative segment functions as a transitory passage from one performance to another. In fact in the last fifteen minutes of the film's run, the performances are no longer interrupted by the narrative (from Freddie Bell and his Bellboys, to the Platters, to Bill Haley and the Comets) before the happy resolution.

Another break from mainstream filmmaking takes place on the level of visual style. The extremely strong emphasis on music performances and the teenage dancing they incite attracted a large number of unusual shots where the camera is placed at a very low – almost floor – level to capture the moves that could teach teenage viewers how to dance, breaking from traditional compositions of dancing couples in long shots.

A final element of the film that breaks away from the tradition of mainstream filmmaking is its self-reflexivity (constant references to being the product of exploitation filmmaking), which takes on two forms. The first and main one is its explicit effort to be what its tagline professes, 'the whole story of rock and roll'. Thus, although the performers and the bands are part of the diegesis, they nevertheless retain their professional names, standing at the same time both in and outside the narrative world. This means that although the film dramatises the break of rock 'n' roll music from rural America to the main metropolitan hubs (significantly not from black to white America), it also tries to be an authentic record of the era, a sort of documentary for future generations.

The other form of self-reflexivity occurs on the level of the narrative and involves the articulation of the rules of exploitation. In a scene between Corinne Talbot, the unfriendly talent agent, and Lisa Johns, the rock 'n' roll dancer (and Steve's romantic interest), Corinne lays down exactly how exploitation works:

> You are an investment Lisa. You'll become an idol for teenagers. You'll develop a big public; hundreds of fan clubs; college boys would be voting you the girl they would most want to be caught in a compromising situation with. My agency will be spending a fortune on your publicity and exploitation. The bigger you or the

> boys [the band] become, the more money we all make. But you are the only girl of the outfit. The only one that means s-e-x. Like a movie star. I want my investment protected.

With the tricks of the trade articulated in such a clear fashion, it not surprising that Katzman's film made the production of imitations easy.

Rock Around the Clock was a great hit for Katzman and Columbia Pictures. Its worldwide gross was in the region of $4 million (with rentals of $3 million or a 10 to 1 ratio of profit to cost). The imitations (with the possible exception of *Rock Pretty Baby*) followed religiously Katzman's formula and the cycle lasted well into the 1960s with slight updates of the type of music and dance performed (cha-cha, calypso, twist), always according to the latest fad. Katzman continued to produce exploitation pictures into the 1970s, while in the mid-1960s he left Columbia and took his new production outfit Four-Leaf Productions to AIP. At the time of his death in 1973 he had produced about 300 films in almost 40 years.

Notes

1. Quoted in Shiel, 2003.
2. Quoted in Strawn, 1975b, p. 260.
3. Ebert, 1975, p. 137.
4. For definitions of the three examples of exploitation in American cinema, see Doherty, 1988, p. 3.
5. Grant, 1985, p. 199.
6. Strawn, 1975c, p. 291; Davis, 1997, p. 43.
7. McGee and Robertson, 1982, p. 11.
8. Doherty, 1988, p. 46.
9. Doherty, 1988, p. 54.
10. Doherty, 1988, p. 54.
11. One should also include here 20th Century-Fox's film *Love Me Tender* (Webb, 1956), which starred Elvis Presley, the biggest youth star of the 1950s.
12. Lev, 2003, p. 63.
13. Chute, 1986, p. 32.
14. Broidy is quoted in 'Salesman', in *New York Times*, 10 February 1946.
15. Quoted in Chute, 1986, p. 39.
16. Broidy is quoted in 'Monogram Marching On: Company Shows Swift Increase In Stature', in *Daily Variety*, 29 October 1943; the slogan for AIP is quoted in Staehling, 1975, p. 224.

17. Horton, 1976, p. 234.
18. Schatz, 1999, p. 293.
19. Horton, 1976, p. 235.
20. Horton, 1976, p. 238.
21. Quoted in Doherty, 1988, p. 113.
22. Monaco, 2001, p. 46.
23. Horton, 1976, p. 235.
24. Monaco, 2001, p. 46.
25. Davis, 1997, p. 47.
26. Doherty, 1988, p. 113.
27. Corman and Jerome, 1998, p. 31.
28. Doherty, 1988, p. 152.
29. Doherty, 1988, p. 115.
30. Doherty, 1988, p. 30.
31. 'Rep Studio Open to Indie TV Prod'n; Rogers' TV-1st Run, 30G; Autry, 20G', in *Daily Variety*, 20 June 1951, pp. 1 and 7.
32. 'Republic Okays Old Films for Tele; Editing, Rescoring to Fit TV Needs', in *Weekly Variety*, 13 June 1951, pp. 3 and 18.
33. Arkoff, quoted in Strawn, 1975b, p. 256.
34. Lev, 2003, p. 173.
35. 'Lippert Gets First Financing Morris Plan Ever Made Films', in *Variety*, 21 September 1949.
36. 'Monogram, Lippert Co May Merge; Negotiations Now in Progress', in V*ariety*, 26 July 1950.
37. Quoted in McGee and Robertson, 1982, p. 45.
38. Quoted in Doherty, 1988, p. 73.
39. Wiener, 1975, p. 27.
40. Staehling, 1975, p. 225.
41. Osgerby, 2003, p. 100.
42. Doherty, 1988, p. 35.
43. 'Nicholson Forms New Distrib Unit', in *The Hollywood Reporter*, 26 March 1956.
44. Morris, 1993, p. 4.
45. Quoted in Osgerby, 2003, p. 105.
46. *The Hollywood Reporter* description is quoted in McGee and Robertson, 1982, p. 60.
47. Strawn, 1975b, p. 262.
48. The figures for AIP's budgets are taken from Scheuer, Philip K. 'Shocker Pioneers Tell How to Make Monsters', in *Los Angeles Times*, 21 September 1958.
49. Staehling, 1975, p. 225.
50. *Los Angeles Times*, 21 September 1958.
51. Mason, 1976, p. 264.
52. McGee and Robertson, 1982, p. 118.

53. McGee and Robertson, 1982, p. 118.
54. McGee and Robertson, 1982, p. 119.
55. Osgerby, 2003, p. 98.
56. Jancovich, 1996, p. 198.
57. The 'formula for success' is taken from James H. Nicholson, 'AIP Formula – Not Foolproof, But It Pays Off', in *Daily Variety*, 27 October 1970. 'The Peter Pan Syndrome' is taken from Doherty, 1988, p. 157.
58. Arkoff has been quoted as stating explicitly that film is no art and that 'Once we open a vein, like a miner, we continue mining until the vein runs out of ore.' John Getze, 'Horror or Horrid Films, AIP Quickies Score at Box Office', in *Los Angels Times*, 20 February 1974.
59. Quoted in Strawn, 1975b, p. 264.
60. Powers, 1979, p. 43.
61. All the figures relating to *Hercules* are taken from Powers, 1979, pp. 39 and 45.
62. Strawn, 1975c, p. 292.
63. Strawn, 1975c, p. 295.
64. Waters, 1983, p. 56.
65. The figures for the cost of the film and of the device are taken from Doherty, 1988, p. 169.
66. Waters, 1983, p. 56.
67. Waters, 1983, p. 57.
68. The figures are taken from http://www.imdb.com/title/tt0063522/business.
69. Dixon, 1976, p. 13.
70. Lev, 2003, p. 173.
71. Doherty, 1988, p. 150.
72. Dixon, 1976, p. 11.
73. Davis, 1997, p. 49.
74. Shiel, 2003.
75. In this respect Corman's work is very reminiscent of Edgar G. Ulmer's films, which also managed to transcend their Poverty Row status.
76. James, 1989, p. 144.
77. Mason, 1976, p. 267.
78. Flynn and McCarthy, 1975b, p. 305.
79. Monaco, 2001, p. 3.

Part III

CONTEMPORARY AMERICAN INDEPENDENT CINEMA (LATE 1960s–PRESENT)

5

THE NEW HOLLYWOOD AND THE INDEPENDENT HOLLYWOOD

> We've gotta save the movie industry, man. We've gotta save it, or it's all over for the movies.
>
> Dennis Hopper, filmmaker[1]

INTRODUCTION

If the Paramount Decree and the post-World War II recession ushered American independent cinema towards its second major phase, the factors that led to its further evolution in the late 1960s were once again economic, though changes in American society and culture played also a significant part. The end of the 1960s was one of the most volatile periods in the history of the country, characterised by civil unrest in the streets of major American metropoles like New York and Chicago; assassinations of extremely influential political figures such as Robert Kennedy, Martin Luther King and Malcolm X; the escalation of the war in Vietnam (and the intensification of the country's commitment to it); the continuation of the cold war with the Soviet Union; and the increased visibility and activism of formerly marginalised social groups in terms of race and sexuality (such as blacks, gays and lesbians) or age (young adults and college students). All these factors contributed to a remarkable change in attitudes and mores in American culture which, reflected in the films of the period, make even the most liberal films of the late 1950s/early 1960s (like the social-problem films by Stanley Kramer) look like fake Hollywood constructions with naive ideological messages.

While the country was amidst social and cultural upheaval, the American film industry had to face its own set of severe problems as well

as keep up with the transformations in the American social and cultural fabric. These problems included: the financial over-exposure of the majors (manifested mainly in the production of a large number of expensive family films that increasingly started to falter at the box office, and in the efforts of many majors towards diversification); the continual audience decline, which reached an ultimate low of 15.8 million people a week in early 1971);[2] the decrease in the number of theatres; the entrance of the television networks to the theatrical market which increased competition and contributed to a glut of product; and an extremely outdated (despite substantial revisions) Production Code which the industry was still trying to enforce at a time of sweeping changes in sexual mores. Grouped together with the larger social and political problems the country was experiencing, they represented another life-threatening set of obstacles for the film industry, which had only recently started stabilising after the effects of the Paramount Decree.[3]

Facing a new, more severe recession that was going to make its presence particularly felt in the period between 1969 and 1971, the industry looked for help or leadership in every direction. To the rescue came a form of a relatively low-budget independent production by (mostly) hyphenate filmmakers that quickly became the model for mainstream Hollywood filmmaking for a short period of time (*c.* 1967–75), a period often labelled as 'The New Hollywood' or 'Hollywood Renaissance'. Combining a mixture of exploitation strategies, art-house filmmaking techniques and an emphasis on distinctly American themes within not always clear-cut generic frameworks, the Hollywood Renaissance films can be seen as the product of a new marriage between independent film production and the majors. The main difference between the New Hollywood and the previous periods was that during this short time the majors allowed filmmakers an unprecedented degree of creative control in the filmmaking process. As a result American cinema entered a phase characterised by the production of stylistically diverse and narratively challenging films that were much more tuned in to the social and political climate of the era than the films made for the majors by top-rank independents.

One of the consequences of the emergence of this type of film was further muddling in what could constitute American independent cinema. As films like *The Graduate* (Nichols, 1967; produced by Embassy and Lawrence Turman and distributed by Embassy) and *Easy Rider*

(Hopper, 1969; produced by Pando Company and Raybert Productions and distributed by Columbia) were radically different aesthetically from the big-budget, independently produced films of the period, they laid a stronger claim to the label independent than their top-rank counterparts. For instance, although, strictly speaking, a film like *Easy Rider* and a film like *The Secret of Santa Vittoria* (1969, Kramer; produced by Stanley Kramer Productions and distributed by United Artists) have an equally valid claim to the term independent (both were produced by one or more companies other than the ex-studios and both were distributed by major releasing corporations) the two films could not be more different in terms of everything else.

The former was a biker/social protest/road film with a particularly distinctive film style that went against well established stylistic and narrative norms. It was shot for approximately $500,000 and was written, produced and directed by actors Dennis Hopper and Peter Fonda who had no prior experience in filmmaking. On the other hand, the latter was a very expensive ($6.3 million budget) period romantic comedy that was very 'Hollywood' in its look. It was produced and directed by a famous top-rank independent producer and starred Oscar-winning stars Anthony Quinn and Anna Magniani.[4] Even without any additional information about their production history, one would be immediately inclined to think of the former as an amateurish production created away from the influence of the majors, while perceiving of the latter as the personification of the expensive Hollywood picture that the majority of top-rank independents were producing under the sponsorship of the majors in the 1950s and 1960s.

This means that the discourse of independent cinema expanded once again to include the type of picture that films such as *Easy Rider* represented while top-rank independent production started occupying a much more marginal position in the discourse. While prior to 1967 this new type of independent film would normally be classed as low-budget exploitation with some artistic pretence, during the years of Hollywood Renaissance it gradually also become an integral part of the mainstream (supported by the studios). This does not mean, however, that all exploitation films became automatically part of the mainstream. The vast majority of exploitation films continued to be made away from the majors with Roger Corman and American International Pictures still leading the way (see Chapter 6).

To make things even more confusing, a different brand of very low-budget independent filmmaking that had emerged a few years before the New Hollywood and has been labelled by critics as the 'New American Cinema' (1959–63) became another, particularly strong, contender for appropriating the label independent. Although its emergence falls chronologically under the period covered in the second part of this book, its influence on commercial American independent cinema became particularly evident in the low-budget films of the late 1960s.

THE NEW AMERICAN CINEMA

In the late 1950s/early 1960s, a group of filmmakers that among others included John Cassavetes, Jonas and Adolfas Mekas, Shirley Clarke, Edward Bland, Alfred Leslie, Lionel Rogosin and Robert Frank was brought together by its distinctly anti-Hollywood approach to filmmaking. Bearing a strong kinship to movements in various European countries such as the *Nouvelle Vague* in France, the Free Cinema in Britain and other similar attempts for an alternative cinema in Italy, Poland and the Soviet Union, this American filmmaking movement attempted a radical break from the 'official' American cinema as this was represented by the films of the majors and of the independents (top-rank and low-end).

For these filmmakers, independence meant producing and distributing ultra low-budget films entirely outside the structure and influence of the US film industry. Writing in *Film Culture*, a journal dedicated to this mode of filmmaking, in 1959, film critic and later filmmaker Jonas Mekas explained that New American Cinema filmmakers sought to 'free themselves from the overprofessionalism and over-technicality that usually handicap the inspiration and spontaneity of the official [Hollywood] cinema, guiding themselves more by intuition and improvisation than by discipline.'[5]

Driven by their commitment to these principles, the above filmmakers (minus Cassavetes) formed the New American Cinema Group, an organisation established to support formally all those new voices in American cinema. Perhaps the most important development within the Group was the formation of the Film-Makers' Cooperative, a distribution organisation dedicated to the marketing and releasing of New American films, in April 1962. Prior to the establishment of the Cooperative, the key films of New American Cinema were either self-distributed or released

marginally by small distributors, like British Lion International Films that released *Shadows* (Cassavetes, 1959). The Film-Makers' Cooperative was run by the filmmakers themselves who every year elected an executive committee to supervise the organisation. In distributing a film, the Cooperative retained 25 per cent of the film's gross, returning the remaining 75 per cent to the filmmaker. Furthermore, it was open to distributing any type of independently made film regardless of length, subject matter, budget or width (from 16mm to 70mm).[6]

Although the Cooperative distributed a number of independent films, these were mostly non-commercial, short subjects which could not sustain financially a releasing organisation, even a non-profit one. One had to wait until 1964 to see the first features released by the Cooperative, Jonas Mekas' *Guns of Trees* and Jerome Hill's *Open the Door and See All the People*. By the mid-1960s it was obvious that the Cooperative had to open up to mainstream exhibition sites and therefore take a more commercial direction. For that reason, the members of the Group created a subdivision, The Film-Makers' Distribution Center, which undertook the task of handling the more commercial films and 'expand[ing] the theatrical distribution of independent cinema across the country.'[7]

With the Distribution Center designed to promote commercial features, the original Cooperative was usurped by the experimental or non-narrative filmmakers who in the meantime had joined forces with the New American Cinema filmmakers as advocates of an alternative cinema. Very quickly, the Group, *Film Culture* and a number of the original independents led by Jonas Mekas shifted almost entirely their focus towards the avant-garde and the experimental, therefore dispensing with any concerns about commercial narrative cinema. From the mid-1960s, the filmmakers most commonly associated with the movement were Stan Brakhage, Gregory Markopoulos, Kenneth Anger, Michael Snow, Jack Smith, Robert Breer and James Broughton, all experimental filmmakers, while Andy Warhol, another important independent filmmaker, had only a tentative relationship with the Group.

Although the phenomenon of the New American Cinema was extremely short-lived (film critic P. Adams Sitney called it 'an illusion' that started with the first films of a small group of filmmakers and 'ended abruptly when they had completed them and were seeking distribution for them and financing for further projects'),[8] it nevertheless exerted immense influence on the New Hollywood, and more generally on one of

the routes that post-1970 American independent cinema took. The main reason for this was John Cassavetes, whose films, especially his first feature, *Shadows*, became examples of what many critics have called 'contemporary American independent cinema', and whose approach to filmmaking created the very powerful and romantic ideology of the lone and uncompromised filmmaker who works with a dedicated circle of friends and who goes to great lengths to see his distinct vision on the screen.

THE INFLUENCE OF JOHN CASSAVETES

The son of Greek immigrants, Cassavetes started his career in American cinema as an actor, achieving a certain degree of fame as a youth rebel in *Crime in the Streets* (Siegel, 1956) and as a hard-pressed airport worker in *Edge of the City* (Ritt, 1957). However, it was his role as jazz-musician-by-day-turned-private-investigator-by-night Johnny Staccato, in the NBC show *Johnny Staccato* in 1959–60 that made him a familiar figure to the wider public. Since 1957, Cassavetes had established in New York the Variety Arts Studio, an actors' workshop, with the objective of developing theatrical skills through the means of improvisation. In an appearance on *Night People*, a late-night radio show, the twenty-seven-year-old actor stunned the show's presenter and audience by claiming that *Edge of the City* (the film he was promoting) was not a good film and that he could make a better film for a fraction of the cost. He went on to ask the listeners to send money so that he would make 'a movie about people'.[9] Over the next few days, the radio station was inundated with letters containing small bills (approximately $2,000 in total) while other film industry figures also proceeded to donate various sums. With a final figure of $40,000 and a 16mm camera, Cassavetes went on to film an improvisation experiment that originated in his workshop. The result was *Shadows*, the film that kick-started the New American Cinema and which, for film historian Geoff King, 'stands as a bridge between the alternative American cinemas of the 1950s and 1960s and the later independent movement.'[10]

The film (see the Case Study on p. 184) introduced a particularly distinct approach to narrative filmmaking, but perhaps more importantly established the 'figure of Cassavetes' as 'the outsider', 'the maverick', 'the pioneer', the filmmaker who started a trend and paved the way for other talented individuals who wanted to use the medium of cinema for personal expression. For future generations of filmmakers, Cassavetes represented

Figure 5.1 John Cassavetes' unique visual style: an emphatic close-up of Lelia Goldoni and Anthony Ray in *Shadows*.

the American auteur in its most pure and unadulterated form: the filmmaker who writes their own scripts, arranges their own financing, organises the whole project on their own, works with a small circle of dedicated friends who are willing to work for very little or even for nothing, edits their own work, arranges distribution after the film is completed, and even 'writ[es] his own press pack and do[es] the layouts for many of the posters and newspaper ads.'[11]

More importantly, this type of auteur remains faithful to their artistic vision and demonstrates a certain aversion to mainstream cinema, which is dismissed as pure entertainment or escapism. With Charles Chaplin in the 1920s and 1930s and Orson Welles in the 1940s and 1950s acting as luminaries and previous points of reference for such filmmakers, Cassavetes took this form of filmmaking many steps further by building a consistent body of work that spanned almost three decades and by demonstrating that a successful filmmaking career away from the influence of

the majors was indeed possible. For film critics, Cassavetes' film output stands 'as a monument in the independent canon.'[12] For filmmakers of later generations, Cassavetes stands as a powerful symbol. As Martin Scorsese put it:

> Whenever I meet a young director who is looking for guidance and advice, I tell him to look at the example of John Cassavetes, a source of the greatest strength. John made it possible for me to think that I could actually make a movie.[13]

After *Shadows* Cassavetes made two films in Hollywood – breaking thus his association with the Group: *Too Late Blues* (1961) for Paramount and *A Child is Waiting* (1963) for Stanley Kramer Productions (distributed by United Artists). Of particular interest was the latter where Cassavetes was hired to direct a top-rank independent production with major stars (Burt Lancaster and Judy Garland). A series of disagreements between him and Kramer, however, forced Cassavetes to leave the picture during post-production and Kramer to take over the supervision of the film's editing. As a result, Cassavetes denounced the final film, labelling it an 'overly sentimental' Hollywood creation,[14] and decided never to return to commercial filmmaking, as this was exemplified by both studio and top-rank independent film production. Cassavetes' experience in these two films clearly proves that top-rank independent production had been completely assimilated to the structures and processes of studio production, therefore pointing to low-budget arrangements as perhaps the only ones distanced from the ex-studios' influence. The need for a different type of independent production as an alternative to the mainstream (apart from pure exploitation) was absolutely critical, and the films of the Hollywood Renaissance came to fill the gap.

Cassavetes returned triumphantly to his low-budget/aesthetically challenging filmmaking roots with *Faces* (1968), a film he financed from a number of acting jobs he took in studio productions. The critical success of the film, which was commercially released by Continental Distributing, a small independent distributor, established Cassavetes as a major force in independent filmmaking and was widely perceived as the first film of the 'Cassavetes canon'.[15] It was followed by films such as *Husbands* (1970; distributed by Columbia), *Minnie and Moskowitz* (1971; distributed by Universal), *A Woman Under Influence* (1974; distributed by Faces

International – a company established by Cassavetes himself when national distributors showed no interest in his film), *The Killing of A Chinese Bookie* (1976; distributed by Faces International); *Opening Night* (1977; distributed by Faces International); *Gloria* (1980; distributed by Columbia) and *Love Streams* (1984; distributed by Cannon Films).[16] Although some of these films, like *A Woman Under the Influence* and, especially, *Gloria* became relative commercial successes and despite the names of Columbia and Universal as the distributors of three of his pictures, Cassavetes' cinema remained stylistically and narratively challenging, with films that often explored 'uncharted territory' and with a film output so diverse that makes him 'America's most idiosyncratic and least categorizable filmmaker'.[17]

THE NEW HOLLYWOOD

During the late 1960s, the American film industry presented an unusual picture. On the one hand, it had reached a respectable level of stability after the Paramount Decree had changed the organisational structure of the industry and the rise of television had made American cinema a secondary leisure activity. An increasing number of big-budget productions, either produced and distributed by the majors, or produced independently but still released by the majors, had started reaching an audience, sometimes returning rentals of extremely sizable proportions (seven films released in the 1960s recorded rentals of over $26 million).[18] Big-budget epics and spectacles that targeted mainly a family audience seemed to provide some answers to the industry's acute financial problems. Even the number of releases started bouncing from just over 140 in 1963 to 230 by the end of the 1960s.[19]

This picture of the industry, however, revealed only half the truth. The success of these films was more often than not offset by the size of their budget and marketing costs and by the various profit participation schemes that shifted a significant percentage of the films' rentals to the talent. Furthermore, the success of *The Sound of Music*, *Doctor Zhivago* (Lean, 1965), *Mary Poppins* (Stevenson, 1964), *My Fair Lady* (Cukor, 1964), *Thunderball* (Young, 1965) and *Cleopatra* (Mankiewicz, 1963), in short six out of the ten biggest box office champions in the history of American cinema till 1969, represented a particularly successful two-year period mid-decade, and therefore cannot be deemed as representative of the

whole decade. During the late 1960s, an increasing number of such big-budget productions bombed at the box office: *Dr Dolittle* (Fleischer, 1967), *Star!* (Wise, 1968) and *Hello Dolly* (Kelly, 1969), all films distributed by Fox and designed to emulate the success of *The Sound of Music*, recorded dismal grosses. All the other majors witnessed similar results: *Camelot* (Logan, 1967) failed for Warner; *Chitty Chitty Bang Bang* (Hughes, 1968) for United Artists; *Sweet Charity* (Fosse, 1969) for Universal; and *Paint Your Wagon* (Logan, 1969) for Paramount, while *Cleopatra*, another Fox picture, despite its position in the top ten of box office champions, had cost excessively to produce and market and should be also included in the box office losers of the 1960s.

Although there was a handful of exceptions, such as *Funny Girl* (Wyler, 1968) and Disney's *Love Bug* (Stevenson, 1969), which proved successful with the family audience, the late 1960s became host to a series of mostly low-budget, independently produced films that found great, sometimes spectacular, success at the US box office: *The Graduate* ($43.1 million in rentals); *Bonnie and Clyde* (Penn, 1967; produced by actor-producer Warren Beatty and distributed by Warner – $22 million); *Easy Rider* ($16.9 million); *Midnight Cowboy* (Schlesinger, 1969; produced by Jerome Hellman Productions and Florin Productions and distributed by United Artists – $16.3 million); and *Goodbye, Columbus* (Peerce, 1969; produced by Willow Tree and distributed by Paramount – $10.5 million).[20]

Besides their status as independent productions, the above group of films shared a large number of other characteristics the most important of which were their conscious targeting of a young audience and their emphasis on questioning established traditions, both in terms of the types of stories they presented and the manner in which the presentation of the stories occurred on screen. These films set new trends in their treatment of controversial material such as the representation of violence (*Bonnie and Clyde*); sex (*Midnight Cowboy* and *The Graduate*); and drugs (*Easy Rider*) and struck the final blow to the already weakened Production Code, which was replaced in 1968 with the Ratings classification system.

What becomes especially important with this category of independent filmmaking is not so much the fact that film production was arranged by companies other than the major studios (although this of course is a starting point in any approach to American independent cinema), but that a large number of independent producers consciously assaulted the codes and conventions of mainstream American filmmaking, the majority of

which had been established firmly for almost half a century. Furthermore, as American society was also in the process of questioning its very foundations, burying forever 'the optimism that dominated American life and spirit since the Second World War',[21] the above films, along with many other less financially successful ones, were perceived as considerably more sensitive to the sweeping cultural changes of the period. They were perceived as representative of the counterculture, an alternative culture developed around the differences in attitudes, mores and style between the American youth and the older generations who continued to represent the official culture, the establishment.

With the ex-studios and top-rank independents clearly representing the establishment in American cinema, it was no surprise that the new, low-budget independent cinema was automatically deemed as the cinema of counterculture, a cinema geared specifically towards the youth generation and firmly endorsed by it. Perhaps the most vocal example of this characteristic was the tagline for *Where It's At* (Canin, 1969), which made no attempt to hide the fact that it targeted only one particular demographic: 'Where it's at for you, Dad, isn't necessarily where it's at for me.'[22]

As the established cinema had its own codes and conventions, grammar and syntax, the young filmmakers of the new independent cinema had to create their own language. In a short span of time, a large number of cinematic techniques, mainly associated with art-house filmmaking in Europe and Japan, were imported to American cinema. These included: improvisational acting, repeated actions, camera zooms, jump-cuts, freeze frames, telephoto shooting, hand-held camerawork, split screen, more frequent use of extreme close ups and extreme long shots, image-sound mismatches and many others. As film style in mainstream American cinema had been obeying the rules of classicism and, for that reason, had largely remained unobtrusive, subordinate to the needs of a causally driven narrative, the sudden appearance of these new cinematic techniques and their infusion with existing staples of Hollywood style changed dramatically the 'look' of American films.

Even the causally driven narrative with its psychologically motivated protagonist who has to fight a number of obstacles before reaching a clearly set goal had to lose some of its force in the presence of a film style that often drew attention away from narrative and to itself. Coherence and clarity, the key characteristics of the classical narrative, gave way to what Robin Wood called 'the incoherent narrative' of the 1970s cinema,

a narrative 'where the drive toward the ordering of experience [was] visibly defeated.'[23] And if narrative became considerably less classical in its structure, film genres underwent such radical transformations that almost ceased to perform the supremely important ideological function of keeping the spectators' expectations constant. Instead, genres were perceived by independent filmmakers as sets of conventions and rules that could be explored, questioned and very often subverted, resulting in unsettling the spectators' expectations. For instance, Sam Peckinpah's *The Wild Bunch* (1969; co-produced by Phil Feldman Productions and Warner) clearly subverts the codes of the western genre when it mixes modern iconography (automobiles, machine guns) with a more traditional one, but mostly by refusing to distinguish between heroes and villains, one of the most fundamental points of departure from the genre.

Although the changes in American film during the late 1960s and early 1970s were particularly notable, leading a number of film critics and cultural interpreters to talk about a post-classical or post-modern Hollywood cinema,[24] there was still continuity with the previous dominant aesthetic system. Despite evidence of 'a breakdown of classical storytelling conventions, a merger of previously separated genres, a fragmentation of linear narrative, a privileging of spectacle over causality [and] the odd juxtaposition of previously distinct emotional tones and aesthetic materials',[25] American cinema continued to operate as a narrative cinema where all the above elements of a potentially new aesthetic system were assimilated gradually into the powerful classical aesthetic. This was mainly because, as David Cook argued, the directors of the New Hollywood 'were not modernists who sought to demolish primary forms like representation and narrative. Rather, they concentrated their attack on secondary forms – most notably individual genres',[26] while also making extensive use of techniques that were normally associated with art-house cinema. For that reason, Hollywood cinema did not entirely lose the identity that had characterised it in the previous decades, despite the fact that some of the changes that occurred were radical.

The new state of American cinema that the Hollywood Renaissance effected was considerably more tuned in to the state of American culture during the 1967–75 period. The changing attitudes and mores in lifestyle that the counterculture had brought in were not only the subject of many films of the period (such as *Easy Rider*, *Midnight Cowboy* and *Alice's Restaurant* [Penn, 1969]). They were also reflected in the stylistic and

narrative experimentation that young filmmakers like Brian De Palma, Francis Ford Coppola, Martin Scorsese, Paul Schrader, Dennis Hopper and many others were practising. One could argue that changing America and changing American cinema became objectives that for a short period of time coincided as the younger generations set out to discover their own culture, while a number of young filmmakers were setting out to create part of this culture for them, in this case to discover their own approach to cinema. And if, according to John Belton, the main difference between the establishment and counterculture was 'just plain "style" ',[27] it was obvious that many battles of the war of the new independents against mainstream Hollywood would take place on the level of visual style, by assaulting the aesthetic norms of the classical style upon which the established Hollywood cinema was founded.

The war of the new independents against mainstream cinema, however, was not limited to the field of film aesthetics. Hollywood Renaissance was driven by the overly ambitious objective of putting an end to the domination of the majors and their preferred mode of filmmaking, which by that time was top-rank independent production. By borrowing a model of filmmaking again from European art-house cinema, whereby filmmakers were able to produce and distribute commercially successful films without the institutional support of a national distributor, and by subscribing fully to the auteur theory which placed the filmmaker at the centre of the creative process, the independents attempted to bring about these fundamental changes in the structure of the film industry.

Film distribution, however, became the insurmountable obstacle for every independent that wanted to apply fully the art-house filmmaking model in America. As this branch of the business of filmmaking remained firmly under the control of the ex-studios and of a small number of minor releasing companies, it was impossible for any structural changes to take place. Even the low-budget independent films needed national distribution to become profitable and enable the young filmmakers to find financing for their next projects. As there was no other avenue for national (and international) distribution besides self-distribution, which required the filmmakers' time and effort in touring the country with a print, filmmakers were forced to accept the importance of the established major distributors. On the other hand, though, the majors had to accept the necessity of supporting the new independent movement as the expensive genre films they financed and produced increasingly had problems with finding an

audience large enough to render them profitable. Thus when *The Graduate*, a film produced and distributed by Embassy, was pronounced the box office champion of 1967 and the second most successful film in terms of rentals for the whole decade, the majors had no seconds thoughts about supporting the independent producers who sought to destroy them.

Allowing young filmmakers an unprecedented degree of creative control (which meant allowing the assault on the aesthetic of the 'official' cinema) was a small price to pay for the majors. For, despite the fact that the management of the majors for the first time in their history were in no position to predict what kinds of films the audiences wanted to see, and therefore know what kinds of films they should finance, betting on the low-budget independents represented only a small financial risk. With films like *Easy Rider* produced for a fraction of the cost of top-rank independent pictures like *The Secret of Santa Vittoria*, the road to profitability was considerably easier at a time when expensive, star-studded genre films proved to be box office poison. Furthermore, a large number of these films arranged financing from outside sources, a development that reduced the majors' financial stake. More importantly, because the new independent filmmakers had embraced the counterculture, they were the only category of filmmaker with the potential of delivering to the majors the most important demographic: the youth audience. As one MPAA survey in 1968 revealed, the age group of 16–24-year-olds was responsible for almost half (48 per cent) of all ticket sales,[28] which made it clear that reaching this one particular group made the difference between profitability and financial failure.

Although the majors had no idea about what types of film the young generation wanted to see, they were nevertheless still the only organisations with the means to reach this audience, to inform it about the existence of films that were made for them. Despite the fact that the majors' marketing resources were more accustomed to promote expensive films that targeted a family audience, their coverage of the US market, their presence in all major international markets and their relationship with major exhibitors were essential for the adequate commercial exploitation of any film. This means that the success of the stylistically and narratively challenging New Hollywood films was to a large extent due to companies such as Columbia, United Artists and Warner, which made films like *Easy Rider*, *Midnight Cowboy* and *Bonnie and Clyde* respectively readily available in large cinemas in and outside the United States. Writing specifically

about *Easy Rider*, a film that was originally to be produced by Roger Corman and distributed by American International Pictures, Teresa Grimes highlights the significance of major distributors:

> With the distributing power of Columbia behind it, what could have been just another Corman-produced biker film made it through the conventional distribution/exhibition channels to reach a mass audience. Whether *Easy Rider* would have been the massive success it was had it been made and distributed by AIP is of course questionable.[29]

If the price the majors paid for endorsing the new independent movement was small, the price the new independents had to pay for having their films distributed and exhibited nationally and internationally was considerably larger. Their 'dependence' on the old studios for marketing and distribution automatically signalled the failure of their attempt 'to overthrow the studio system' or 'to democratize filmmaking'.[30] Yet the same 'dependence' ensured the emergence of some of the most idiosyncratic voices in American cinema and the unexpected success of some truly individualistic films that normally would not have found an audience had the majors not been behind them. As Biskind put it: 'although individual revolutionaries succeeded, the revolution failed.'[31] This was particularly evident in the fate of many independent production companies like BBS (producer of characteristic New Hollywood films, including *Five Easy Pieces* [Rafelson, 1970]; *The Last Picture Show* [Bogdanovich, 1971]; *The King of Marvin Gardens* [Rafelson, 1972]; and *Hearts and Minds* [Davis, 1974]) and the Directors Company (set up by Francis Ford Coppola, Peter Bogdanovich and William Friedkin), which collapsed once the industry came out of the recession and moved firmly into the blockbuster business in the mid-1970s.

CONCLUSION

Although the period of the Hollywood Renaissance lasted less than a decade and the expensive, independently or studio-produced film made a thunderous comeback in 1975 with *Jaws* (Spielberg), the low-budget independent films of the 1967–75 period changed the landscape of American cinema forever. Besides the importation of a large number of film techniques and practices that enriched immensely the formal

attributes of American cinema, and in addition to their ability to capture the spirit and mood of a nation in turmoil, the new independent films proved that there was space for a 'cinema about people'. This type of cinema offered often uncompromising views of contemporary America which were far removed from the safe representations and harmless entertainment associated with mainstream cinema, but which were welcomed by a young generation that was disillusioned with the state of things.

What is of more significance, however, is that the New Hollywood films succeeded – some of them spectacularly – in spite of the oppositional stance they adopted against the norms and values of Hollywood cinema. This success inspired a number of filmmakers, who would constitute the nucleus of the next independent movement (John Sayles, Jim Jarmusch, Spike Lee and Susan Seidelman) to make their first film away from the influence of the ex-studios. More importantly, it gave a number of disenfranchised groups, which historically had been misrepresented or neglected by mainstream cinema, concrete hopes for developing their own brand of independent filmmaking and therefore taking control of their own representations. In this respect, the New Hollywood influenced and became the precursor of a more clearly defined brand of independent filmmaking that will be examined in the following chapters.

Case Study: Not actors acting but characters living
Shadows (John Cassavetes, 1959, 85 min.), produced by Maurice McEndree, distributed by Lion International.

The roots of *Shadows* were located in the radio show 'Night Time', where Hollywood actor John Cassavetes claimed that he could make a more real film than the Hollywood productions he participated in as an actor. Even though rumours have it that he was not actually serious about breaking into filmmaking, the overwhelming response of the show's listeners made Cassavetes take on the task immediately.

With a budget of $40,000, a 16mm camera, free sound equipment he obtained through his connections and no professional technical crew, Cassavetes gathered a small group of unemployed actors from the Variety Arts Studio, the acting workshop he had established with Burt Lane in 1957 to develop acting skills through improvisation exercises, to make the film. Already familiar with his improvisation exercises, one of which involved Cassavetes asking his students to create a situation

about two light-skinned black siblings, a sister and a brother and the sister's white boyfriend who discovers she is black (reminiscent of one of the plot lines in *Shadows*), the actors worked on specific character sketches provided by Cassavetes. One of the main sketches included the following information:

> BENNIE: He is driven by the uncertainty of his colour to beg acceptance in this white man's world. Unlike his brother Hugh or Janet [Note: the sister became Lelia after this was written], he has no outlet for his emotions. He has been spending his time trying to decide what color he is. Now that he has chosen the white race as his people, his problem remains acceptance. This is difficult, knowing that he is in a sense betraying his own. His life is an aimless struggle to prove something abstract, his everyday living has no outlet. (Carney, 1994, p. 35)

With other character profiles specified in a similar manner, the filmmaker and his actors developed a number of situations revolving primarily around three siblings, Hugh, the eldest of the three and the one whose skin colour is unequivocally black, and Ben and Lelia, whose light skin colour allows them to pass as whites. Without scripting any concrete details of the dramatic situations created, Cassavetes, who undertook the task of operating the hand-held camera, and his amateur crew spent most of 1957 and the first months of 1958 shooting the film on location in New York. After a substantial editing period, the film premiered in the autumn of 1958 and was immediately embraced by the New York independent and avant-garde communities. In January 1959, *Shadows* became the recipient of *Film Culture*'s 'First Independent Film Award' as 'more than any other film, [it] presented contemporary reality in a fresh and unconventional manner . . . was able to break out of conventional molds and traps and retains original freshness' (Carney, 1985, p. 34).

The filmmaker, however, was not happy with the film, the formal attributes of which (especially editing and camerawork) had taken precedence over narrative concerns and characterisation. In a move that broke his association with and endorsement by *Film Culture*, Cassavetes proceeded to re-shoot several scenes and re-edit the film so that he would explore more intensely 'the situations and emotional lives of particular characters locked into a time-bound narrative form'

(Carney, 1985, p. 34). The result was a very different version of the film which was released commercially a year later (November 1959) and which brought Cassavetes' work closer to mainstream cinema (this second version is the one that is commercially available and will be discussed in the following paragraphs).

Despite its unquestionable dependence on narrative, *Shadows* is characterised by an aesthetic that is remarkably different from the dominant (classical) Hollywood one. The location shooting, the grainy black and white cinematography, the technical imperfections, the prominent jazz soundtrack and especially the improvised acting, which creates a very strong feeling that the film's characters are 'real' people whose lives happen to be documented by Cassavetes' camera, make the film look more like a record of the time rather than a fictional tale about three siblings and their racial identities.

This 'reality' is further reinforced by the absence of melodramatic plot mechanisms which allows spectators a particularly distanced position in relation to the events portrayed. Thus, even in the scene where Tony (the boyfriend) finds out that Lelia is black, the matter is handled subtly without a trace of the emotional outbursts that Hollywood films have made spectators so used to. As Cassavetes himself put it, he tried to express the 'small feelings' which are normally suppressed or ignored in the grand melodramatic plots of Hollywood films (Carney, 1994, p. 33). Although the film does deal with the impact of racism on the lives of two brothers and a sister, this does not constitute the major plot line of the film. Instead, the film is more interested in showing how the siblings fit into the urban bohemian environment of late 1950s New York. This makes the questions of racism and of racial identity incidental, one more issue the characters have to deal with in their everyday lives, rather than the central problem of the film. Cassavetes achieves this effect in three major ways.

Firstly, he structures a narrative that is particularly episodic and loose. The film consists of thirty-three scenes that are connected either through dissolves or, more prominently, through a large number of long fade-to-black pauses which separate one scene from another rather than bridging them in a smooth manner. Specifically Cassavetes uses this technique on nine occasions, while employing straight cuts to link scenes only on six occasions (the rest of the scenes are linked with dissolves). Secondly, although Hugh, Lelia and Ben are seen in a few

scenes together, they are first and foremost characters in their own stories within the film. Thus Hugh tries to deal with his failures as a musician in the jazz scene; Lelia tries to find love in an environment where casual sex seems to be the norm; while Ben tries to deal with an empty life moving from cafe to bar for the duration of the narrative. It is obvious none of the siblings has any established goals (in the classical narrative sense), which explains why there is a lack of psychological motivation and an absence of clear cause and effect logic. Finally, Cassavetes avoids the use of almost any direct references to the problem of racism in the film's dialogue. Instead, he allows his actors to register their feelings and concerns about the issue through performance (gesture, exchange of gazes, body language) with his camera ready to pick up the slightest detail. This approach creates a considerably more understated treatment of the problem, allowing it to be part of the bigger picture, part of life, and not just something that was afforded prominence because of its undoubted (melo)dramatic value.

The film closes with the line THE FILM YOU HAVE JUST SEEEN WAS AN IMPROVISATION, which clearly sets it within an amateur/experimental context as opposed to the professional context of Hollywood filmmaking. Despite such a status (sufficient to prevent any commercial aspirations), the film enjoyed unexpected box office success, especially after winning the BAFTA award for Best Picture in 1960, and two BAFTA acting awards for Lelia Goldoni and Tony Ray.

Case Study: The end of American cinema as we know it
The Last Movie (Dennis Hopper, 1971, 108 min.), produced by Alta-Light Productions, distributed by Universal.

The staggering success of *Easy Rider* in 1969 had made Dennis Hopper, the film's co-screenwriter and director, a hot name in the US film industry. Despite anecdotes about his wild drug- and alcohol-fuelled shenanigans during the production of *Easy Rider*, and a reputation for being impossible to work for or with, the major distributors were focusing on his apparent ability to produce films that engaged with the elusive youth audience and therefore were more than interested in seeing what his follow-up picture would be.

One such major, Universal Pictures, was looking for an opportunity to finance and distribute a 'hip' film that could prove a crossover hit. For that reason it had created a new unit headed by executive Ned Tanen with the purpose of financing and distributing challenging, offbeat films. Tanen's first deal was with Hopper for *The Last Movie*, while the unit was also involved in the financing of other important New Hollywood films, including: *Minnie and Moskowitz* (Cassavetes, 1971) and *American Graffiti* (Lucas, 1973).

The idea for *The Last Movie* had preceded *Easy Rider* and was Hopper's personal project. As early as 1965, Hopper had tried to produce the film with financing from successful music producer Phil Spector but the lack of interest from major distributors had made Spector withdraw his support. After *Easy Rider*, however, Hopper found himself in the pleasant position of being able to fulfil his dream project. Despite the fact that both BBS (as a production company) and Columbia (as a distributor) passed on the project in fear of having to deal with the filmmaker's inflated ego, Tanen had no reservations and brought the project to Universal.

The film revolves around a stuntman who decides to stay behind in a small village and develop it as a resort for western film productions after the movie production for which he originally worked had used the village. The deal for the film afforded Hopper the opportunity to materialise his vision free from the distributor's control. Specifically, Universal gave Hopper a budget of approximately $900,000 and complete creative control, including final cut, provided that the filmmaker would not go over budget. As an extra measure, the distributor made Hopper a co-venturer in the project as he was asked to forfeit his fee for his job as a director, star, editor and producer of the film for a hefty percentage of the gross (50 per cent).

Principal cinematography took place in a remote village and a small town in Peru, Chinchero and Cuzco respectively. From the very beginning of the shoot, the US media offered the film great publicity focusing primarily on the consumption of alcohol and drugs and on the sexual appetite of the filmmaker and several members of the cast. Furthermore, the production had to deal with the strict Catholic church as well as the oppressive political climate that the military dictatorship had created in Peru. Despite these problems and incessant rumours and reports about an out-of-control production headed by 'a sullen

renegade who talks revolution, settles arguments with karate, goes to bed in groups and has taken trips on everything you can swallow or shoot' (quoted in Hoberman, 1988, p. 21), Hopper managed to exert admirable control over the production. Having shot and exposed approximately forty hours of material, he managed to finish the shoot slightly under budget and on schedule.

The post-production of the film, however, proved an extremely laborious process that would take sixteen months to complete. Although the filmmaker had the footage he needed, he wanted to experiment and create different versions of the film. Together with two other editors, for one of whom *The Last Movie* was his first editing assignment, they spent endless hours using 'the Peru footage in every conceivable way, varying the story, changing the ending, introducing sub-plots, making sociological comments about the plights of the Indians and the tyranny of the Peruvian junta' (Rodriguez, 1988, p. 86).

When the film was eventually ready for release in the autumn of 1971, the omens were not auspicious. Despite the film's triumph in the Venice Film Festival where it won the award for Best Picture, test screenings in the US had indicated that audiences disliked it. Furthermore, the film received an overwhelmingly hostile reception from both critics and public. The major critics called it 'hateful', 'pure fiasco', 'disaster', 'pitiful', 'lowest rating', 'an embarrassment . . . endless, chaotic, suffocating, acid-soaked' (Hoberman, 1988, p. 21). The public did not respond favourably. Only two weeks after its opening, Universal withdrew the film from the cinemas, writing off almost all the film's production and marketing costs.

Arguably, the main reason behind the film's complete failure was its devastating assault on almost all conventions of mainstream American cinema, which alienated all segments of the audience, even the one that was associated with counterculture and had embraced the experimentation of *Easy Rider*. But while *Easy Rider* looked as amateurish as *The Last Movie*, the former nevertheless benefited from a clear narrative structure and a recognisable realist *mise-en-scène*, despite the absence of clear-cut goals or psychological motivation for the main characters and the many instances of discontinuous editing and obtrusive camerawork.

The Last Movie, on the other hand, retains only a schematic narrative structure which, as the film enters in its final third, gives way to a

different form of representation that dispenses with questions of narrative. Equally, film style is used particularly liberally, often without any concern for highlighting the directions the story is taking and with such blatantly anti-Hollywood stylistic choices as intertitles explaining that scenes are missing, deliberately scratched parts of the print, the sound of the rolling camera audible, Hopper and other actors going in and out of their roles and acknowledging the presence of the camera, the appearance of the director's credit superimposed on a shot thirteen minutes into the film and its title presented in the same way almost twenty-six minutes after the opening shot.

Even though the narrative does deal with the efforts of a stuntman to develop an area as a potential setting for western movies, this is only one story, perhaps the most obvious, amidst a number of other sub-plots that take place before and after the stuntman's decision. Hopper edits these stories in a non-linear manner, interrupting scenes with inserts of events that are taking place earlier or later in the story and with shots that are repeated. Gradually another strong storyline emerges: the people of the town who witnessed the making of a Hollywood western decide to re-enact it as a ritual themselves complete with real shootings and killings as they cannot understand that violence in films is faked for the cameras. Through this storyline Hopper tries to offer a critique of Hollywood, its films and American society in general, while also exploring questions about the nature of cinema and of cinematic reality in particular. These elements bring him close to the modernist European filmmakers of the era such as Jean-Luc Godard, Ingmar Bergman, Akira Kurosawa and Michelangelo Antonioni and take him far from the Hollywood mode of filmmaking.

The almost overwhelming defeat of classical narrative, especially in the last thirty minutes of the film, proved one step too far for audiences. Unlike genre and film style, which were amenable to change and to the infusion of new ideas, attacking the dominant (narrative) mode of representation itself was something that was a particularly advanced proposal for audiences of commercial cinema, mainstream and independent.

After the failure of his film, Hopper's directorial career was all but terminated (his next film, *Out of the Blue*, came out almost ten years later, in 1980, and he only worked occasionally as an actor in small independent

films until the 1990s, when he reinvented himself and staged an extremely successful comeback. Despite its almost universal critical panning at the time, *The Last Movie* remains one of the most daring examples of experimental filmmaking in the history of American cinema.

Notes

1. Quoted in Shiel, 2003.
2. Cook, 2000, p. 22.
3. According to Balio the industry started showing signs of recovery and stabilisation only after 1964 and responsible for that was the success of the blockbuster trend which had started accelerating (1987, p. 126).
4. The figures for the films' budgets are taken from Biskind, 1998, p. 74 (*Easy Rider*); and Balio, 1987, p. 146 (*The Secret of Santa Vittoria*).
5. Mekas, 2000, p. 74.
6. 'Film-Makers' Cooperative', 1966, p. 46.
7. 'Film-Makers' Cooperative', 1966, p. 46.
8. Adams Sitney, 2000, p. 71.
9. Carney, 1994, p. 29.
10. King, 2005, p. 71.
11. Carney, 1994, p. 28.
12. Levy, 1999, p. 102.
13. Scorsese is quoted in Boorman and Donohue, 1997, pp. 90–1.
14. Jacobs, 1980, p. 39.
15. Margulies, 1998, pp. 286–7.
16. Cassavetes is also credited as the director of *Big Trouble* (1986; distributed by Columbia).
17. Levy, 1999, pp. 103–4.
18. Balio, 1987, p. 126.
19. Monaco, 2001, p. 39.
20. The rental figures are taken from Finler, 2003, p. 359.
21. Quart and Auster, 2002, p. 67.
22. Stein, 1969, p. 16.
23. Wood, 1984, p. 47.
24. See Kramer, 1998, pp. 289–309.
25. Jenkins, 1995, p. 113.
26. Cook, 2000, p. 161.
27. Belton, 1994, p. 275.
28. Cook, 2000, p. 67.
29. Grimes, 1986, p. 57.
30. Biskind, 1998, p. 17.
31. Biskind, 1998, p. 434.

6

AMERICAN INDEPENDENT CINEMA IN THE AGE OF THE CONGLOMERATES

INTRODUCTION

As the phenomenon of the Hollywood Renaissance was underway in the late 1960s, a very different development had been taking place in the American film industry at approximately the same time. After almost fifty years of self-ownership, almost all major ex-studios were in the process of becoming subsidiaries of conglomerates, 'diversified companies with major interests in several unrelated fields'[1] or in the process of becoming conglomerates themselves, through a programme of aggressive diversification. Starting with Paramount, which was bought out in 1966 by Gulf & Western (a company that held interests in such fields as automobile bumpers, sugar, real estate, fertiliser, cigars and zinc), other majors were taken over by similarly diversified conglomerates: United Artists by Transamerica (1967), Warner by Kinney National Service (1969), MGM by Las Vegas hotelier and finance mogul Kirk Kerkorian (1969), while Columbia and Fox adopted the conglomerate model by diversifying further themselves, before being taken over in the 1980s by The Coca-Cola Company and Rupert Murdoch's News Corp. respectively.[2]

The repercussions of this development were far-reaching not only for the ex-studios but also for producers and distributors across the independent spectrum. Top-rank independent production, already the majors' preferred method of production since the 1950s, kept its hegemonic position in the conglomerate-run Hollywood cinema, especially as the 'countercultural' low-budget films of the New Hollywood that had met with great success in the early 1970s started faltering at the box office. The main difference between top-rank independent production pre- and post-conglomeration

was a renewed emphasis on the potential of the event film to return stratospheric profits not only from the theatrical market but also from many other profit centres that were controlled by other divisions of the same conglomerate.[3] Led by the stunning profits of *Jaws* (Spielberg, 1975; produced by Zanuck/Brown Productions and Universal) and especially *Star Wars* (Lucas, 1977; produced by Lucasfilm and distributed by Fox), this type of independent production became representative of mainstream cinema and has remained as such to date (see Chapter 8).

Low-end independents, on the other hand, were affected by the conglomeration of the industry in more complicated ways. The majors' move to the production and financing of even fewer event films created enormous gaps in the US film market which existing and new independent producers and distributors rushed to exploit. As a result, the first years of the 1970s were a particularly prolific period for low-budget, exploitation filmmaking. New production/distribution companies such as New World Pictures, Dimension Pictures, Crown International, New Line Cinema and a large number of smaller production and/or distribution outfits, some of which specialised in hardcore pornography, achieved what seemed to be particularly strong footholds in that sector of the industry. With the number of releases from the majors reaching extremely low levels (culminating in the all-time low of seventy-eight pictures by seven majors in 1977) and with film product becoming scarce, the future of low-budget independents seemed to be secure and not only for the short term.[4]

These conditions, however, were reversed in the second half of the 1970s, once the majors' blockbusters moved into exploitation turf, in terms of content and target audience (science fiction and monster films targeting young audiences) and in terms of the sites where they were physically exhibited (the drive-in theatres). As a result, exploitation companies had to reconfigure and renegotiate their place in the industry, which in effect meant increasing their budgets and improving the production values of their films so that they could compete with the far glossier studio productions. But as the independent companies were infinitely less capitalised than the conglomerated majors, their effort was doomed to failure from the start. Only the lifeline presented by the advent of video and cable towards the end of the 1970s saved them from extinction, as these technologies created a new space for low-budget exploitation product away from the theatrical exhibition market.

The conglomeration of the US film industry seemed to make the distinction between mainstream and independent filmmaking slightly easier. Any film company that was not owned by a conglomerate had a very good reason to label itself 'independent' as it was the conglomerates that were now seen as the agents of mainstream cinema, the controllers of what was once a distinct film industry run by a handful of ex-studios. Additionally, this definition of independence had the benefit of carrying a somewhat charged meaning as the conglomerates were perceived widely as impersonal corporate forces that had moved in from 'the outside' and had replaced 'movie people' with 'businessmen who were interested only in money'.[5] In this respect, they were the enemy of the 'real' film companies which were still run by people with creative input.

Although this definition of independent filmmaking has certain advantages (it neatly divides American film production and distribution into conglomerate-owned or not; it makes independence a political matter), it is nevertheless extremely problematic. On the one hand, it means that companies like Columbia or 20th Century-Fox could also lay claim to the label, despite the fact that they were modelling themselves on the same corporate entities that had bought out the other majors and had represented mainstream cinema for more than fifty years. After all, and until fully diversified in the mid-1970s, the main source of income for Columbia and Fox was from their film production and distribution, much like American International Pictures and Roger Corman's various film ventures, companies with a long history of 'independence', albeit in the low end of the market. On the other hand, this definition could also mean that a previously independent company like Embassy Pictures stopped being independent after its takeover by AVCO, a huge conglomerate with interest in finance and aeronautics, in 1968.

Such distinctions however are never absolute. For instance, under the aegis of the new parent company, Embassy continued its selective distribution programme of foreign imports with the occasional prestige production such as *Lion in the Winter* (Harvey, 1968) and *Carnal Knowledge* (Nichols, 1971). In other words, Embassy continued to function in much the same way as before its takeover by AVCO. And if Embassy was simply an exception, what about United Artists whose extremely successful, sixteen-year-strong management team was left intact to operate under the auspices of parent company Transamerica? Are United Artists and Embassy less

'independent' than Fox and Columbia because their logo is accompanied by the logo of the parent company?

It comes as no surprise then that the discourse of American independent cinema became even more expansive (and complicated) in the 1970s, especially as the conglomeration of the film industry was taking place at the same time as Hollywood Renaissance. It was not until the late 1970s when yet another format of low-budget filmmaking would dominate the discourse of independent cinema and consequently push other forms of independent filmmaking to the sidelines. This new format would try to establish a clearly alternative American cinema that had no links with the majors (conglomerated and non) and therefore carried the label independent unequivocally.

The present chapter will discuss the effects of the conglomeration of the film industry on independent filmmaking. As Chapter 5 has already explored the particular brand of filmmaking that came to represent Hollywood Renaissance, the main emphasis here is on low-end, exploitation filmmaking. Furthermore, this chapter will chart the birth of the late 1970s independent movement, which in many ways was a response to the increasing power of the conglomerated majors. First, however, a brief discussion of the reasons behind the conglomeration of the film industry and the key changes the new owners of the majors implemented in the industry as a whole.

RAISING THE STAKES

Although by the mid-1960s all the majors had diversified to other media-related fields (television production and distribution, music licensing, and so on), film distribution and production had certainly remained their main sources of income (with the exception of Disney which had several profit centres). When in the late 1960s some of the majors' expensive films started faltering at the box office and the losses brought down the value of their stock, the majors became ripe targets for corporate takeovers. Apart from their real estate holdings, what made the majors important corporate acquisitions were their film libraries which could be exploited perpetually in a number of existing and future ancillary markets.[6] Within a short period of time (1966–9) the landscape of American cinema had been transformed radically, even though the names Paramount, MGM and Warner continued to exist.

Among the changes the conglomerates brought to the American film industry, four present the most interest in terms of their impact on low-end independent production and distribution. First, conglomerates shielded the majors from the vicissitudes of an unpredictable film market as their extremely broad economic basis allowed them to absorb much more easily the increasingly large losses during periods of box office drought. The ex-studios therefore found themselves in a position where they could afford to take expensive gambles with the potential for huge payoffs. This meant that they could concentrate strictly on the production and finance/distribution of a few blockbuster films per year.

Second, and largely as a consequence of the first repercussion, the average film budget started increasing exponentially. While negative costs had certainly increased throughout the years (from slightly over $1 million in 1950 to $1.75 million in 1971) the increase was never too far from national inflation rates. However, during the following eight years (1972–9), negative costs multiplied five-fold (from $2 million to approximately $10 million).[7] This increase limited even more the number of films financed by the majors.

Third, conglomerates installed new management regimes which tried to rationalise the conduct of film business. Besides emphasising further the production of blockbusters, the university-trained management teams put in place various scientific audience research mechanisms to measure tastes, preferences, viewing habits, and so on. This information was subsequently fed back to decisions about production which became increasingly dependent on research reports, charts and data and, not surprisingly, more formulaic and uniform. These practices seemed justified when the rentals from theatrical exhibition of some of these films (*Jaws* – $133.4 million and *Star Wars* – 188.1 million) reached unprecedented levels.[8]

Finally, as experts in matters of corporate diversification, conglomerates recognised the importance of opening up to new markets and creating more outlets for the commercial exploitation of the product their subsidiaries produced and distributed. For that reason, they actively encouraged the expansion of the majors to media and leisure-related fields with an eye to creating new profit centres for a commodity that was already produced and therefore in need of only additional marketing and advertising costs. This development became particularly notable from the mid-1970s onwards when new technologies such as video and cable presented great

possibilities for perpetuating the commercial career of a film, to the extent that some of the conglomerates dispensed with many of their non-media-related subsidiaries and concentrated solely on media acquisitions.

These developments were instrumental for low-budget independent cinema. Specifically, the renewed emphasis of the majors on the production of a small number of blockbusters created even bigger gaps in the film market which independent producers and distributors exploited. With the yearly releases by the majors dropping from 145 in 1972 to 78 in 1977 (before bouncing to an average of 100 for the rest of the decade),[9] the perennial problem of access to exhibition seemed to be all but resolved. This was especially so when the number of screens increased (from approximately 14,000 in 1970 to 16,300 in 1977)[10] and when even weekly attendance, which had reached an all-time low of 15.6 million in 1971, started increasing again, reaching 20 million visitors a week by the decade's end.[11] Not surprisingly then, a large number of independents flooded the market with low-budget product, while even the kings of exploitation, American International Pictures, stepped up a gear and produced considerably more refined pictures.

The end result of all these developments was the gradual polarisation of the US film market with the conglomerate subsidiaries/diversified corporations and their expensive films occupying one side of it, and the rest of the film companies – 'the independents' – with their much cheaper productions occupying the other. It was at this point that the discourse of American independent cinema started privileging more firmly low-budget filmmakers over top-rank ones.

ECONOMIC OPPORTUNITIES IN THE LOW-BUDGET INDEPENDENT SECTOR (LATE 1960s–1974)

As the majors were struggling financially during the economic recession of 1969–71, and the New Hollywood independents were trying to secure a place in mainstream cinema, the independents in the low-budget, exploitation sector had been having an altogether different experience. Unlike the majors, who were still searching for their audience, these independents knew exactly which segment of the population their target audience was. For that reason, they continued successfully to supply youth audiences with cheap, generic product, exhibited primarily at the approximately 6,000 drive-in theatres of the country. As a matter of fact, conditions were so

good for these independents that at a time when 20th Century-Fox was recording losses of $80 million in one year (1970),[12] a small company like American International Pictures was enjoying its most successful year yet, with a profit of $632,000.[13]

AIP was not alone in feeling that these were good times for low-end independents. Crown Pictures, a distribution company that had been releasing a handful of low-budget films per year since the late 1950s, was ready to expand both in terms of distribution business volume and of producing its own films (after 1972).[14] Roger Corman chose 1970 as the year to establish his own production/distribution organisation, New World Pictures, after his lengthy and particularly successful association with AIP. Only a year later, former New World Pictures employees Charles Swartz and Stephanie Rothman, and veteran independent producer Lawrence Woolner, established Dimension Pictures to compete directly with New World Pictures for the same market. Finally, after six years on the market 'for "special events" on college campuses', New Line Cinema established a national distribution apparatus in 1973 to release low-budget 'arty and freak' films.[15]

All these production/distribution companies were linked by several common characteristics. First – with the exception of AIP, which went public in 1970 – they were limited companies that were owned and run by their founders and not by a board of directors. Second, their operation and initial success was based on the distribution of a large quantity of cheap films which were designed to fill in the increasing number of available playdates in the nation's theatres, hardtop and drive-in.[16] For instance, when in 1972 the seven majors released just 145 films, it was these independents who supplied the majority of the remaining of the 315 films released by US distributors that year,[17] and therefore prevented the threat of product shortage from materialising.

Third, their films tended to exploit the new freedom in representation of sex and violence made possible by the changes in the ratings system in 1968. According to Ed Lowry, who wrote specifically on Dimension Pictures, films from such independents belonged almost exclusively to mostly 'R-rated sub-genres (the softcore nurse/teacher/stewardess film, the women's prison picture, the graphic/erotic horror movie, the imported kung-fu actioner, and the whole range of blaxploitation).'[18] Compare for instance the taglines from one film each from AIP, NWP, Dimension and Crown, released in 1972. The differences seem to lie only in the inspiration of the marketing departments, as can be seen in Table 6.1.

Table 6.1 Taglines from exploitation films of the early 1970s

Distributor	Film	Tagline
American International Pictures	*Pick Up on 101* (Florea)	'Anybody's back seat will do so long as he's going her way'
New World Pictures	*Private Duty Nurses* (Armitage)	'The mouth to mouth they give is not CPR!'
Dimension Pictures	*Sweet Georgia* (Boles)	'She made plowboys into playboys'
Crown International	*The Stepmother* (Avedis)	'She forced her husband's son to commit the ultimate sin!'

Fourth, as exploitation companies, they were watching closely trends and cycles in American cinema, trying to cash in on the latest fad or craze. Although business analysts and trade publications like *Variety* were proclaiming at the peak of the industry recession 'that the only current trend was no trend at all',[19] low-end independent producers never stopped looking for winning formulas. Some, in fact, were very successful, like New World Pictures with its Nurses cycle, which was sustained for five films (*The Student Nurses* [Rothman, 1970]; *Night Call Nurses* [Kaplan, 1972]; *Private Duty Nurses* [Armitage, 1972]; *The Young Nurses* [Kimbrough, 1973]; and *Candy Stripe Nurses* [Holleb, 1974]).

Finally, these companies allowed filmmakers a substantial degree of creative control during the production process. This freedom was sometimes translated into the making of innovative films, especially in terms of the use of film style and the representation of political issues. For instance, even the softcore sex films of the *Nurses* cycle often featured narratives that revolved around such political matters as 'abortion, ecological issues, black disadvantage and alternative education',[20] issues rarely tackled by the majors in the early 1970s. Although independent companies often gave filmmakers such freedom consciously, claiming that this practice differentiated them from the majors, film historian Jim Hillier has argued that such freedom was 'inherent' in the production practices these companies followed. Writing specifically on New World Pictures he argued:

> freedom was inherent in the ways the films were produced. Expectations tended to be low for a number of reasons: the films would have

> no aspirations to critical acclaim (as a rule, they would not be press shown), the budgets were extremely low, and producers would generally be absent and more concerned with selling the product than with actually making it – Corman, would certainly absent himself from the start of the shooting until it was more or less finished.[21]

AIP, New World, Crown and Dimension were only the tip of the iceberg, the most well-known of a large number of low-end independent producers and distributors some of which also enjoyed commercial successes with low-budget films that have remained cult favourites throughout the years. These included Bryanston Distributing Company which released *The Texas Chainsaw Massacre* (Hooper, 1974) and Fanfare Films which released the extremely successful *The Born Losers* (Laughlin, 1967; co-distributed with AIP), the first film in which the character of Billy Jack appears. In 1971, Laughlin wrote, directed, produced and starred in *Billy Jack*, a film that became a commercial triumph ($32,500,000 in rentals on a less than $1 million budget), after Laughlin and Warner distributed it with the method of 'four-walling'.[22]

The blossoming of the exploitation sector in the early 1970s continued the project of the Poverty Row studios and of the low-end independents of the 1950s and 1960s (targeting audiences the majors excluded, working with genres the majors shunned, filling in playdates especially in the drive-in theatres, and so on). One could go as far as to argue that the period between the late 1960s and the mid-1970s is reminiscent of the 'classic years' of the Poverty Row studios in the 1930s and 1940s. This is because the number of important distributors, the volume of their business, the freedom they granted filmmakers (provided they would stay within specific budget and genre constraints), the distributors' association with a particular type of exhibition site (then the subsequent-run theatre, now the drive-in theatre) and the emphasis on showmanship (Crown executives invented the term 'Crownmanship' to distinguish their own brand of film promotion) suggest that the exploitation independents of the 1970s had found their own niche market, just like their predecessors during the studio years.[23]

THE END OF EXPLOITATION AS WE KNOW IT

The runaway success of *Billy Jack* in 1971–2 represents, arguably, the zenith of low-end independent cinema in the early 1970s and made the retrenched

majors question once again their knowledge of the film market. Once the majors came out from the heavy recession of the 1969–71 period and the effects of conglomeration (renewed emphasis on blockbusters, scientific audience research and new marketing techniques, aggressive diversification, and so on) were becoming apparent, it became clear to them that (1) the exploitation market was too important a market to be overlooked and (2) the youth audience for that market was too large to be ignored.[24] Not surprisingly, the majors decided to move to exploitation turf and 'upgrade' the normally extremely cheap independent product by throwing their millions of dollars on monster, science fiction and car chase films such as *Jaws*, *Star Wars* and *Smokey and the Bandit* (Needham, 1977).

The majors' move to the low-end independent market was initiated during the 1974–7 period and went into a full effect from the late 1970s onwards. A significant factor in that move was the phenomenon of blaxploitation, the mass production and distribution of films geared to black audiences which in the early 1970s had appeared to be a significant audience demographic. Between 1970 and 1972 alone there were more than fifty films aimed specifically at the black cinema-going community, while the trend increased further in the following two years before it started declining in 1975.[25]

Some of these films became very successful financially (for instance, *Shaft* [Parks Jr, 1971] recorded rentals of more than $7 million on a $1 million budget), to the extent that blaxploitation films were considered significant contributors in leading Hollywood out of the 1969–71 recession.[26] This means that besides the low-end independents which, expectedly, jumped immediately on the blaxploitation bandwagon, the majors were also heavily involved in the perpetuation of the trend until the mid-1970s (for instance, Warner backed, among others, *Superfly* [Parks Jr, 1972]; MGM financed and distributed, among others, *Black Mama, White Mama* [E. Romero, 1972] and a number of successful films produced by Roger Corman's brother, Gene Corman, including *Cool Breeze* [B. Pollack, 1972]; and Paramount distributed *The Legend of Nigger Charley* [Goldman, 1972]).

The majors' involvement with a type of film that was traditionally associated with exploitation filmmaking demonstrates clearly that by the mid-1970s the rulers of the industry were in the process of adopting and appropriating practices 'from the industry's margins'.[27] With the blaxploitation 'experiment' paying off handsomely at a time of retrenchment, the majors started realising that the low-end independent sector had a

lot more to offer. As the success of their glossy exploitation films, especially of *Jaws*, made clear that their future lay in such types of production, the majors rushed to adopt more practices associated with exploitation cinema. Soon they were employing strategies such as sensational advertising and saturation bookings, while also targeting drive-in theatres for exhibiting their films. In doing so, the majors not only managed to regain their position of almost absolute control of the American film industry, but they also eliminated the competition that these independents provided until the mid-1970s. By the end of the decade, the majors were back controlling approximately 90 per cent of the film market (a figure that in the early 1970s was estimated closer to 70 per cent),[28] a degree of control comparable to the one the same companies enjoyed during the studio years.

The one practice the majors adopted that, arguably, proved the most harmful to the low-end independents was their move to the drive-in theatres, the one type of exhibition site that the independents had almost total control of since the 1950s. With the number of drive-ins already in decline in the early 1970s (as the value of the land on which they operated had been increasing steadily), the independents had already started feeling the pressure. For that reason, when the majors started using the drive-in theatres as exhibition sites for their own brand of exploitation productions and claimed the remaining youth audience who patronised mainly this type of theatre, the independents were faced with nothing less than extinction.

On one level, the majors were forced to move to the drive-ins. Their adoption of the saturation release method dictated the use of a massive number of theatres which would all play the same film on the same dates. With Universal's *Jaws* opening in more than 400 theatres in 1975, De Laurentiis and Paramount's *King Kong* (Guillermin) in 961 theatres in 1976, and Columbia's *The Deep* (Yates) in 800 in 1977 (2.6, 6.5 and 5.3 per cent of all the nation's screens respectively),[29] using the drive-in theatre as a first-run exhibition site became a necessity for all majors. On a different level, however, the majors' physical move to the drive-ins was strategic, designed to reduce the number of playdates for the independents and therefore kill off the already weakened competition.

These developments placed the low-end independents in an impossible situation. The smallest and least capitalised ones exited the market en masse and immediately: Fanfare Films in 1974; Cinemation Industries, Bryanston Distributing and Manson Distributing in 1975; American Film Distributing

Corporation in 1976; and Monarch Releasing Corporation (responsible for the hugely controversial *Snuff* [Findlay and Findlay, 1976]) in 1977. The larger exploitation independents (AIP and New World Pictures) along with the smaller Crown and Dimension had no choice but to fight back by producing and distributing considerably more expensive productions which could have a chance of competing with the studio fare both in the drive-ins and, very importantly, in the multi-screen theatres that had been mushrooming in the US since the mid-1960s and especially the 1970s. The response of American International Pictures to this situation makes a particularly interesting case study.

THE GRADUAL RISE AND RAPID FALL OF AMERICAN INTERNATIONAL PICTURES

Like the other exploitation companies, AIP experienced a particularly successful period until the mid-1970s, achieving an impressive increase in both its profits and revenues (see Table 6.2).[30]

By 1975, the company was in such good shape that Arkoff was not afraid to choose competition with the majors over retrenchment in a changing film marketplace. Even though AIP's capitalisation was considerably larger than that of the other low-end independents, its financial basis was nevertheless still minimal compared to the conglomerate-owned majors. For instance, at the time when Universal was investing $12 million in *Jaws* for production costs alone, AIP's credit line (funds the company could borrow from the banks to use for production costs) for the whole of 1975 was $11 million.[31] Despite this inequality, AIP proceeded in the financing and distribution of very expensive pictures for the company's standards such as

Table 6.2 American International Pictures' net profits, 1970–6

Year	Net profit (US dollars)	Revenues (US dollars)
1970	632,000	21,000,000
1971	n/a	n/a
1972	270,521	20,800,000
1973	744,400	24,500,000
1974	931,400	32,516,000
1975	2,853,000	46,930,000
1976	2,883,000	51,044,000

Vincente Minnelli's *A Matter of Time* (1976) starring Ingrid Bergman, Charles Boyer and Liza Minnelli, which was budgeted at $5 million.[32]

Although the company's first steps towards expansion were successful, its march towards the industry's major league was severely curtailed in the final months of 1976, when the US Treasury Department repealed the federal income tax shelters that the Nixon administration had created in 1971 to stimulate film production after the recession.[33] These credits allowed corporations significant write-offs in their income tax bills, should they invest part of their corporate income in film production.[34] This meant that a corporation could reduce its income tax bill and stand to gain profits as well, should the film it invested in became profitable. Despite their indisputable contribution to the regeneration of the film industry (it was estimated that tax shelters became responsible for an influx of more than $100 million outside investment in film production during the first half of the 1970s), tax credits were placed under pressure when strong allegations that they were used for the financing of pornographic films surfaced in the mid-1970s.[35] The Tax Reform Act of 1976 eliminated the shelters and closed this important revenue of film financing to the independents.

As the conglomerated majors had by that time fully bounced back from the recession, the elimination of tax credits hit mostly the low-end independents, even the most successful ones, like AIP. To continue operating efficiently at a time when the company's product was becoming increasingly expensive both in terms of production and, especially, distribution costs, Arkoff sought tax shelters and subsidies outside the United States, in particular in Germany, Canada and Australia.[36] This move became especially important as AIP's marketing costs had reached unprecedented levels and the company needed to keep production expenditure as low as possible.[37]

Despite the efforts to keep costs down while competing with the conglomerated majors, AIP had already become prisoner in the industry's irrevocable course towards star-studded films with inflated budgets. By the last month of 1977, the company was – reluctantly – prepared to finance $7–$8 million pictures such as *10 Force from Navarone* (G. Hamilton, 1978; with Harrison Ford) and *Meteor* (Neame, 1979; with Sean Connery which ended up costing $17 million).[38] To meet these demands, AIP negotiated a considerably larger line of credit from American banks (from $11 million in 1975 to $35 million in 1978).[39] The company's financial results, however, hardly justified such a move. Both its profits and revenues remained stag-

nant in 1977 and 1978, while in 1979 AIP recorded a net loss for the first time in its history ($1.5 million).[40]

Not surprisingly, AIP became immediately a target for a corporate merger or takeover. Filmways, a former television production company that had successfully diversified with interests in the fields of insurance, publishing, manufacturing of electronics and television and film finance, had been following AIP's slump since the final months of 1978. Although Arkoff had treasured his independence for almost a quarter of a century and had taken in the past measures to shield AIP from hostile takeovers, this time he was ready to succumb to the need for a conglomerate parent. As he put it in October 1978, several months before the merger between AIP and Filmways: 'Responsible management must weigh the prospects of a much heavier debt burden against the better alternative of operating on a broader financial foundation. The concept of affiliation with Filmways seems to offer the more desirable option.'[41]

The merger, which was valued at approximately $25 million, created a stronger AIP as banks could now take into consideration Filmways' assets when arranging production loans. According to the terms of the deal, Arkoff remained AIP's chairman but he now had to report to the Filmways executive board of directors.[42] Only a few months later, however, Filmways executives accused Arkoff of having overstated AIP's assets before the merger and forced him to resign. Less than a year after the merger, Filmways retired the name American International and replaced it with Filmways.[43]

FROM THE THEATRICAL TO THE VIDEO MARKET

If AIP 'disappeared' in 1980 after playing the majors' game, the other smaller exploitation companies met different destinies. Dimension Pictures also made an effort to upgrade its product. In the 1977–8 season, the company allocated production funds in the region of $15 million and enjoyed the noteworthy success of *Ruby* (Harrington, 1977), which grossed $16 million. Following this, Dimension tried to shift from quantity to quality, producing and releasing only a few films with budgets around $3 million each. The company's slim capitalisation, however, did not allow for this to happen, especially when in the first months of 1979 Dimension faced a series of lawsuits brought against it by a number of producers releasing through it. Soon the company found itself on the verge of bankruptcy, for which it officially filed in February 1981.[44]

New World Pictures also moved towards 'respectability' in the late 1970s. From large quantities of exploitation pictures earlier in the decade (budgeted at around $125,000–$200,000) the company shifted to the production of a smaller number of releases by the decade's end which included a few expensive films ($2 million for *Avalanche* [C. Allen, 1978] and $3 million for *Battle Beyond the Stars* [Murakami, 1980]).[45] Corman quickly realised that a face-to-face competition with the majors was destined to fail so he kept distributing low-budget films, while trying to test the market with a few expensive productions. As a result he managed to survive the pressure of the majors, especially when he started utilising the new exhibition technologies that video and cable television represented. In 1983 Corman sold New World Pictures for $16.5 million and started a new venture, this time focusing primarily on the lucrative home video market.[46]

Crown International Pictures continued its selective distribution policies and the small programme of production it had initiated since 1972. Although Crown also increased its budgets substantially (by 1978 it was allocating $20 million alone in production costs),[47] it nevertheless avoided an AIP/Dimension-type expansion. Like Corman, Crown executives recognised very early on the significance of video and cable, especially as these technologies were developing outside the United States. More than any other exploitation company, Crown focused on the international home video and television market, becoming a reliable supplier of exploitation product and surviving also the squeeze of the late 1970s.

Although extremely low-budget exploitation filmmaking by a large number of tiny independent companies continued to exist during these developments, this type of cinema became gradually associated with the home video market. With both the majors and the larger independents resorting to saturation releases which occupied the majority of the screens, ultra low-budget independents found video to be the only exhibition outlet available to them. With the penetration of the VCR increasing exponentially in the 1980s (see Chapter 7), exploitation cinema found what seemed to be a permanent home in the home video market.

A NEW HOPE: THE BIRTH OF THE NEW AMERICAN INDEPENDENT CINEMA

With the top-rank independents engulfed in the structures of the major conglomerates and with low-budget exploitation producers out of necessity

moving out of the theatrical and to the home video market, independent filmmaking was all but dead in the late 1970s. The repealing of tax credits, and especially the industry's obsession with the production of blockbusters, which made almost all newcomers to independent production ally themselves to a major distributor in order to finance expensive productions with the potential for handsome payoffs, made the practice of independent production (production with no ties to the majors) a virtual impossibility.[48]

At the same time, American culture and politics had been feeling the impact of a conservative movement that was associated with the rise of the New Right. By 1978, the New Right had become a major force in the country, advocating 'a politics of return' to 'pre-New Deal, pre-social welfare economics, to the traditional male-supremacist family, to fundamentalist religious values and to a time when United States was the most powerful military nation on earth.'[49] Reacting especially against the politics of the counterculture, this conservative movement (the outcome of which was the sweeping victory of Ronald Reagan in the 1980 presidential election) found expression in a large number of popular films of the period, especially films made by or for the majors, and spearheaded a return to a 'simpler', more affirming Hollywood cinema.

One of the effects of this shift was the majors' gradual closing of doors to creative filmmakers or to filmmakers with dissenting political views, in short the individuals who had started the Hollywood Renaissance. Coppola, Scorsese, Schrader, Bogdanovich, Hopper and Friedkin among others gradually became marginal filmmakers in the 1980s. The final straw had come in 1980 when Michael Cimino's *Heaven's Gate*, a $44 million (production and marketing costs) epic that is often referred to as the last great auteurist film of the 1970s, sank without a trace at the US box office, recording an unbelievably poor $12,032,61 gross in its first run.[50] The unprecedented commercial failure of the film precipitated the end of the most successful major of post-World War II Hollywood cinema, United Artists. In 1982 Transamerica sold United Artists to Kirk Kerkorian, already owner of MGM who retained the rights to the company's library of titles and dismantled its distribution network. UA went out of the film finance and distribution business and re-emerged in the mid-1990s as a small specialty distributor (see Chapter 8).

The above conditions clearly suggest that American cinema was once again under the claws of monopolisation, this time those of a decreasing

number of conglomerated majors, while the force of the conservative movement was also threatening to turn the diverse, thought-provoking and stylistically and narratively challenging cinema of the late 1960s and early 1970s into harmless entertainment. Under these circumstances, it is not surprising that the new breed of independent films that appeared in the late 1970s and early 1980s were extremely low-budget, made completely away from the majors (or their numerous subsidiaries), were markedly different aesthetically and/or politically from mainstream films and occupied themselves with subjects that the majors' films avoided. In other words, as Peter Biskind put it, 'they were anything Hollywood was not.'[51]

Although, arguably, the key independent film of that time (*Return of the Secaucus Seven* [Sayles, 1980]) was financed by the filmmaker's savings and with loans from family members, many of these independents were supported by funding from various non-profit organisations including:

1. federal government grants (allocated primarily through the National Endowment for the Arts) and
2. local government grants (allocated primarily through municipal or state Film Bureaus, most of which were established after 1976);[52] but mostly by
3. public television (the Corporation of Public Broadcasting [CPB] and its main programming outlet, Public Broadcasting Service [PBS], which was established in 1969).

The entrance of public television into the financing of independent filmmaking was orchestrated by the US Congress, which in 1978 mandated that 'public television should use substantial amounts of independently produced programming in pursuing its broad programme issues.'[53] Established as an alternative to commercial television 'to provide diversity of viewpoint and vision, reflective of the diversity of [the American] nation',[54] PBS (through its 'American Playhouse' series) quickly became one of the key financers of this new breed of independent filmmakers who produced films such as: *Alambrista!* (Young, 1978; financed in part by PBS); *Northern Lights* (R. Nilson and J. Hanson, 1978; financed in part by PBS); and *Heartland* (Pearce and A. Smith, 1979; financed in part by the NEA).

What is of particular importance here is that the ethos of public service broadcasting became a defining factor (at least initially) for the articulation

of the new independent cinema. At a time when the mainstream film industry was moving towards the era of ancillary profits (video, cable and pay-TV in particular), this brand of independent filmmaking was occupied with voicing alternative views, representing minorities, examining social problems, uncovering 'hidden histories', in short dealing with subject matter that commercial television and (largely) film avoided. This is the point when American independent feature filmmaking became widely perceived as a vehicle for the articulation of alternative voices and political positions and therefore clearly different from other forms or brands, like top-rank and exploitation, of independent filmmaking.

The first new independent films were released theatrically either by existing art-film distributors (such as First Run Features, distributor of *Northern Lights*), which treated them as 'American art-house' pictures (giving them limited release and booking them to specialty theatres) or by other small distributors in search for any type of product during the cut-throat environment of the late 1970s (such as Levitt-Pickett, distributor of *Heartland*). Almost immediately, however, a new infrastructure in support of this type of filmmaking started emerging, especially after the commercial success of *Return of the Secaucus Seven* in 1980 (which grossed $2 million on a $60,000 budget–see the Case Study on p. 216). New distributors such as the Samuel Goldwyn Company (established in 1978 by Samuel Goldwyn Jr, son of the legendary independent producer and once part-owner of United Artists), Island Pictures (established in 1982 and re-labelled Island/Alive in 1983), Castle Hill Productions (established in 1980), and Cinecom (established in 1982), all formed within a few years of each other, were dedicated specifically to releasing this type of film while occasionally also distributing successful non-US films (more on the institutional support for independent films in Chapter 8).

With an institutional apparatus in the making, the new American independent cinema started demonstrating some commercial potential: *My Dinner with Andre* (Malle, 1981; distributed by New Yorker Films [an art-cinema distributor] – $1.9 million gross); *Chan is Missing* (Wang, 1982; distributed by New Yorker Films – $1 million); *Eating Raoul* (Bartel, 1982; co-distributed by Quartet Films and 20th Century-Fox International Classics – $4.7 million); *El Norte* (Nava, 1984; distributed by Island/Alive – $2.2 million); *Stranger than Paradise* (Jarmusch, 1984; distributed by the Samuel Goldwyn Company – $2.5 million); *Blood Simple* (Joel Coen, 1984; distributed by Circle Films – $2.1 million); *She's Gotta*

Have it (Spike Lee, 1986; distributed by Island Pictures – $7.1 million).[55] As Biskind put it:

> where before there had been a trickle of poorly funded documentaries, supplemented by the occasional underfinanced grainy feature, there was now a comparative flood of slick, reasonably well-produced theatrical pictures . . . suddenly there seemed to be an indie *movement* . . . the hope was that these home-grown filmmakers would generate the energy, excitement and box office that Ingmar Bergman, the Italians and the French New Wave had enjoyed in the 1960s.[56]

Despite the fast emergence of an institutional framework dedicated to it, the new independent cinema of the late 1970s/early 1980s was clearly a cinema of filmmakers and especially of directors (often writer-directors). While in the low-budget exploitation sector during the previous decades it was the distributor or the production-distribution company that was primarily defining the film (Republic, Monogram, AIP, New World Pictures – with filmmakers like Edgar G. Ulmer, William Castle and Roger Corman being the exceptions), in the landscape of the new American independent cinema a film like *Return of the Secaucus Seven* was an 'independent film' and 'a John Sayles' film' but not 'a Libra/Specialty film'. In this respect, this type of cinema was certainly reminiscent of the cinema of John Cassavetes, whose personal approach to filmmaking became one of the key influences on this wave of independents. On the other hand, it was also reminiscent of the Hollywood Renaissance, another brand of independent cinema revolving around the filmmaker and often embracing oppositional values. The main differences between the two were: the Hollywood Renaissance filmmakers were allowed to work within the majors, while the new independents were not; and even though the Hollywood Renaissance filmmakers made relatively low-budget films, their budgets were large compared to the miniscule budgets of the new independents.

CONCLUSION

The emergence and relative commercial success of the first new independent films of the late 1970s and early 1980s once again demonstrated that the oligopolisation of American cinema – this time by the infinitely-more-powerful-than-the-studios conglomerates – was impossible. Commercial

Figure 6.1 Pam Grier is Foxy Brown. Grier became an international star after her appearance in leading parts in a number of films that targeted a black audience.

independent filmmaking persisted despite the squeezing of the exploitation sector, the total appropriation of top-rank independent production by the conglomerated majors, and in spite of the absence of any serious source of funding. It transmogrified into ultra low-budget, non-exploitation film production that took place away from the influence of the majors, while a distinct institutional apparatus that would eventually support and define it was emerging. Independent production became the province of the individual filmmaker who was no longer in need of the (until then necessary) backing of a large national distributor to finance, market and release his or her film.

The independent movement of the late 1970s/early 1980s assumed a central position within the discourse of American independent cinema as it was different from mainstream filmmaking both in terms of production-distribution and in terms of aesthetics while it was also far removed from the disreputable exploitation filmmaking. As such it laid a particularly strong claim to the label, while the success of some of the films ensured that the word 'independent' would enter public discourse, signifying a very particular type of film.

Case Study: Blaxploitation, the AIP way
Foxy Brown (Jack Hill, 1974, 90 min.), produced and distributed by American International Pictures.

In 1971, an extremely low-budget film, which was financed by private investors and distributed by the tiny Cinemation Industries, became a huge commercial success ($10 million gross on a $500,000 budget – Guerrero, 1993, p. 86). The film was *Sweet Sweetback*'s *Baadasssss Song*, written, directed, produced, edited by and starring black artist Melvin Van Pebbles. Its spectacular commercial success proved to majors and exploitation independents alike that there was a significant race audience that had remained untapped. That audience wanted to see dynamic representations of black people, which would not follow old Hollywood stereotypes that promoted subservience and/or assimilation to white dominant groups. Instead, they would advocate opposition or resistance to the historical oppression of the black population by white individuals and institutions. With estimates bringing this potential audience to approximately 30 per cent of the ticket-buying audience

in major cities (Guerrero, 1993, p. 83), it was clear that black theatregoers could provide film companies with much needed new revenues. Thus a type of film that was labelled by trade publications as 'blaxploitation' (exploitation films for black audiences) was born.

Never late to capitalise on a fad, craze or trend, AIP jumped immediately on the blaxploitation bandwagon and offered as early as January 1972 a very successful film in the cycle, *Black Mama, White Mama* (starring Pam Grier). A few months later, AIP was experimenting with black content within existing genre frameworks such as horror (*Blacula* [Crain, 1972]) or the gangster film (*The Black Caesar* [L. Cohen, 1973]). By that time however, almost every company in Hollywood was making blaxploitation pictures, thus creating congestion in the film market.

To differentiate its product, AIP initiated a cycle of pictures that featured a strong female character played by Pam Grier, who was under a five-year contract to the company (1971–6). Although the idea of a strong female protagonist also runs at the Warner-financed and-distributed *Cleopatra Jones* (Starrett, 1973) and *Cleopatra Jones and the Casino of Gold* (Bail, 1975), both starring Tamara Dobson, AIP developed a fully fledged cycle that lasted three years (1973–5) and four films: *Coffy* (Hill, 1973), *Foxy Brown* (Hill, 1974), *Friday Forster* (Marks, 1975) and '*Sheba, Baby*' (Girdler, 1975). Naturally, AIP continued the production of other types of blaxploitation pictures such as *Truck Turner* (Kaplan, 1974) and *Bucktown* (Marks, 1975) in case its Pam Grier films failed to attract black male audiences.

Despite the fact that *Coffy* became the most commercially successful film of that AIP cycle, *Foxy Brown* is, arguably, a more useful example for an understanding of the company's approach to this particular group of films. Originally intended as a sequel to *Coffy* under the title *Burn, Coffy, Burn*, with the same above-the-line talent, the film became *Foxy Brown* when Arkoff noticed that sequels had stopped performing as well in the US box office. Rather than releasing a new *Coffy* film, which could underperform in an increasingly competitive marketplace, the company's president decided on the production of a 'new' picture with a different heroine in the mould of *Coffy*. This gave the company's official policy of exploiting a proven formula a new twist. While *Burn, Coffy, Burn* would have been a pre-sold title in little need of substantial advertising costs given the success of the original film, by

opting for a new film (with a brand new advertising campaign), AIP demonstrated its commitment to distinguish itself from the other exploitation companies. It also sent a signal to the majors, which were moving to exploitation turf, that AIP was a serious company that did not depend on sequels.

Although *Foxy Brown* was marketed as a 'new' blaxploitation picture with Grier, the film certainly uses most of the successful ingredients that were introduced in *Coffy*: the revenge plot line; the problem of drugs in the black community; the protagonist's use of her sexuality to achieve her objectives; sex and violence (and sexual violence); and a fast, upbeat music soundtrack produced by Motown legend Willie Hutch. Even the poster and tagline that are used to advertise the film present similarities. The poster of *Coffy* features a large picture of a scantily clad Grier holding a shotgun, while around this image there are a number of smaller pictures, mostly of fights and of Coffy in a bikini. The tagline of the film makes a reference to *The Godfather* (then the most commercially successful film of all time) and reads: 'She's the GODMOTHER of them all . . . the baddest One-Chick, Hit-Squad that ever hit town.' Similarly, the poster for *Foxy Brown* features another large picture of Grier, this time in an evening dress and in a suggestive position reaching for her gun. Again smaller pictures of fights (this time mostly between scantily clad women) accompany the main image. The film's tagline is reminiscent of *Coffy* but it also pays tribute to Grier who in the meantime had become one of blaxploitation's main stars: 'Don't mess aroun' with Foxy Brown; She's the meanest chick in town! She's brown sugar and spice but if you don't treat her nice she'll put you on ice! Pam Grier as "FOXY BROWN." '

Not surprisingly, *Foxy Brown* is not very different stylistically from *Coffy* either. The pace is fast and becomes faster when fight or chase scenes occur. In such scenes editing becomes of primary significance (both films were edited by Chuck McLelland) as the quick cuts increase the pace while at the same time hiding the absence of production values and lack of elaborate camera set-ups. The camera often lingers on Grier's body, especially her breasts (more often and for longer periods than in *Coffy*). Even in unsuspecting scenes like the one where Foxy is giving a passionate speech about the need for action against the problems of the black race, Grier is stooping for the duration of the scene, allowing the camera to fixate on her bosom for a long period of time. Finally, as AIP

was committed to producing and distributing PG-certificate films, most of the violent scenes have been sanitised (the camera tilts, pans or cuts away before a controversial representation and returns to show the aftermath, especially when it comes to murder and rape).

By the time *Foxy Brown* was released, *Coffy* and *Cleopatra Jones* had already innovated in terms of gender representations by offering black women active roles in their respective narratives. For that reason, *Foxy Brown* was not allowed enough space for innovations of an aesthetic and/or political nature. Still there are a few instances in which the film transcends its low-end exploitation status and/or offers interesting representations. An example of a use of film technique not normally expected at this level of filmmaking occurs approximately thirty-seven minutes into the film when Foxy visits the home of the female crime boss and of her male lover. The scene, which lasts two minutes, makes extensive use of tracking shots, eye-line matches and point-of-view cutting, off-screen sound and deep-focus cinematography, to present a purely visual comment on the power relations between the three characters (ultimately highlighting Foxy's power over the other two despite the fact that she is in the most disadvantageous position for the time).

An example of an interesting gender representation occurs a couple of scenes earlier when Foxy confronts her brother after finding out that he betrayed her. Foxy enters his apartment and like a raging bull destroys everything in front of her. She injures him and makes him give her important information and proclaims that his days in the city are over. Throughout the scene the male sibling is represented as a very weak man who is repeatedly humiliated by his sister, especially in front of his white lover. The reason why this reversal of gender representations works so well is because this is one scene where Foxy is not portrayed as an erotic spectacle. The camera stays clear from her breasts or other parts of her body and focuses primarily on her face, while the low camera angles employed make Foxy look menacing but without objectifying her. Thus Foxy's domination over her brother is not undermined by a simultaneous eroticisation of her own image, which is not the case in the majority of the film's scenes.

Like *Coffy*, *Foxy Brown* was a big hit for AIP in 1974. In the same year, the company released more blaxploitation titles such as *Sugar Hill* (another film with a black female protagonist) and *Truck Turner* before the cycle started slowing down in late 1975.

Case Study: The Godfather of contemporary American independent cinema
John Sayles and *The Return of the Secaucus Seven* (Sayles, 1980, 110 min.), produced by Salsipuedes Productions, distributed by Libra/Specialty.

Perhaps because of its unexpected commercial success and John Sayles' distinguished later career, which continues successfully into the 2000s, *Return of the Secaucus Seven* (*Secaucus*) is often seen as a point of departure for contemporary American independent cinema, while the filmmaker's name is always included in the list with the most influential filmmakers of the sector. Financed by Sayles himself, who also wrote, directed, edited and played a small part in the film, and distributed by two tiny distributors, Specialty Films and Libra Films, *Secaucus* is in many ways a paradigmatic film for late 1970s/early 1980s independent cinema.

After a successful early career as a fiction writer, Sayles quickly moved to screenwriting with a job at New World Pictures. There he scripted a number of successful exploitation films, including *Piranha* (Dante, 1978), *Alligator* (Teague, 1980) and *The Howling* (*Dante*, 1981). It was during the early days of his apprenticeship at Corman's company when Sayles decided to make his own film. By March 1978, he had already finished the screenplay for *Secaucus*, a story about the reunion of seven friends who used to be politically active during their college years at the height of counterculture. With savings from three screenwriting jobs and the income from the publication of his fiction, Sayles put together $40,000 out of $125,000 necessary for the production of the film. Securing an extra $20,000 from further screenwriting work and by deferring the rest of the budget, Sayles was able to start production with no external financing (Rosen, 1990, p. 183). As a matter of fact, he declined an offer of investment in his film by Roger Corman in order to maintain complete control over every aspect of the film (Molyneaux, 2000, p. 23)

During the principal cinematography stage, which lasted five weeks, Sayles took a number of creative decisions that were determined by budgetary constraints. He took out of the script elaborate – and therefore expensive – camera movements; he employed non-union actors who were paid much less than the Screen Actors Guild normally specified; he shot the film in and around a ski resort which he had

rented off-season for a fraction of the normal price; he used a 16mm camera; and he used his experience at penny-pinching New World Pictures to come up with ways to keep production costs low. Following the end of the shooting, Sayles and Maggie Renzi (the film's producer and Sayles' life partner) hired an editing table and taught themselves how to edit the film.

The film was selected for Filmex, the Los Angeles Film Festival, in 1979. It was received well by the public and attracted the interest of three distributors, United Artists Classics, Libra Films and Specialty Films. Sayles decided to make a deal with Specialty Films, a very small, Seattle-based releasing company, which was established by the owner of a West Coast art-house film exhibition chain to ensure constant product supply to his theatres. Furthermore, Sayles and Specialty brought Libra Films in on the deal as a subcontractor to handle distribution in the East Coast, a region where Specialty did not feel they knew the market well.

Lacking the resources and financial muscle of a national theatrical distributor, Specialty and Libra devised what is known as a grassroots approach to the film's distribution. They concentrated on a small number of important film markets (New York, Chicago, Seattle, San Francisco, Los Angeles, Boston and Washington, DC), and tried to reach their target audience (the 1960s generation) on a personal level with strategies such as direct mailing, advertising in local communities, pre-screenings for influential local people (film critics, community leaders, and so on) and other word-of-mouth promotional activities. As the film's release coincided with the disastrous opening of *Heaven's Gate*, the distributors used this to promote Sayles' film as the anti-*Heaven's Gate*, a picture of modest origins with a good script compared to the $44 million fiasco of the conglomerate-owned United Artists, which was panned universally.

Furthermore, the marketing campaign also focused on Sayles and his transition from writer to filmmaker. Despite a poor opening in New York and San Francisco, the release of the film in the other regional markets was very successful. Fuelled with an award from the Society of Los Angeles Film Critics to Sayles for Best Original Screenplay and with the film's inclusion in many 'ten best' lists around the country, the film re-opened in New York. Accompanied by the clever ad line 'the film everyone's missed' (Rosen, 1990, p. 193), the film became a success

playing in one Manhattan theatre for twenty-two weeks and opening elsewhere in New York. The film eventually grossed more than $2 million from its first theatrical run.

What is immediately evident from the first shots of the film is that this is not a glossy Hollywood production. Sayles' realistic dialogue and location shooting provides the film with a sense of verisimilitude that is absent from the big-budget productions of the time. As the story revolves around a reunion of seven friends with a common political past, the film's emphasis is placed heavily on their interaction, especially their verbal exchanges (as one large group or in smaller units). Throughout the film the spectator gradually discovers their secrets, their political views, their romantic/sexual inclinations, the ties that bind them together and their relation to each other and to the group as a whole.

As a result, the film's narrative is structured in a loose manner, driven by small incidents that occur to individual members of the group during the reunion (how will Jeff react to the news that his partner Maura slept with J.T.? Will Frances succumb to Ron's sexual advances?) or by larger enigmas that turn out to be irrelevant to the unfolding of the story (will Chip [the only outsider and the audience's surrogate] be accepted by the rest of the group?). The absence of a heavily structured narrative trajectory allows the question of how these people have coped in the real world after their activist years – the real subject of the film – to be explored without the help of the usual narrative tricks (suspense, deadlines, and the pursuit of clear-cut goals).

To avoid a theatrical aesthetic of 'filmed conversations' Sayles interjects a couple of 'action' sequences. In one sequence, the male characters play basketball and Sayles, the editor, gradually speeds up the editing pattern of the scene as the spectator expects that Jeff (who has just found out that J.T. has slept with his partner) will hurt J.T. Although the aesthetic of the scene is somewhat at odds with the rest of the film, it nevertheless stands as the closest thing to a climactic narrative sequence as in the end Jeff does instigate an injury (only a slight one) on J.T. In the second action scene, the male characters dive repeatedly into a river while the female characters admire their (the male characters') naked bodies. Apart from presenting an opportunity for action in beautiful scenery, the scene raises the question of women's (and the spectator's) visual pleasure from the male naked body, reversing an

extremely strong tradition in American cinema where the spectator's visual pleasure is almost entirely associated with looking at the female body. Although both scenes add pace in the film, *Secaucus* remains a dialogue-driven exploration of the death of political radicalism and a comment on the destiny of the sixties generation under the threat of the New Right.

After *Secaucus*, Sayles established a consistent career in the independent sector (with the exception of *Baby It's You* [1983], which he made for Paramount). With a body of fifteen feature films in twenty-five years (including the commercially successful *The Secret of Roan Inish* [1994] and *Lone Star* [1996]), Sayles has remained an influential voice in American independent cinema, especially as his films continue to tackle social and political issues (civic corruption and its effects on small town politics [*City of Hope*, 1991]; corporate capitalism [*Sunshine State*, 2001]; racism [*The Brother from Another Planet*, 1984; *Lone Star*, 1996]; lesbianism [*Lianna*, 1983]; disability [*Passion Fish*, 1992]; the labour movement [*Matewan*, 1987]; and so on) that major film productions and newer independents rarely do.

Notes

1. Balio, 1987, p. 303.
2. Decca Records, the controlling company of Universal, had already been bought by MCA, a talent agency wsith interest in television production, in 1962. MCA had to divest itself of its talent agency holdings for the takeover to be allowed by the US Justice Department.
3. In 1977, it was estimated that the top 6 grossing films of the year were responsible for approximately one third of all income generated from the 199 releases of the year (Davis, 1997, p. 116).
4. The figure is taken from Finler, 2003, p. 366.
5. Biskind, 1998, p. 402.
6. Balio, 1987, p. 303.
7. Cook, 2000, pp. 99 and 133.
8. Finler, 2003, pp. 359–60. For a fascinating account of audience research and how its results informed the production of *Star Wars*, see Earnest, 1985, pp. 1–18.
9. Finler, 2003, p. 366.
10. Finler, 2003, p. 379.
11. The number of screens is taken from Finler, 2003, p. 366; the figure for audience attendance is taken from Davis, 1997, p. 139.

12. Monaco, 2001, p. 37.
13. 'AIP Announces Biggest Product Line-Up History', in *The Hollywood Reporter*, 14 January 1970, pp. 1 and 3.
14. Barron, Frank, 'Crown Int'l Hits $500 million Worldwide Box office Figure', in *The Hollywood Reporter*, 28 September 1978, p. 1.
15. Wyatt, 1998a, p. 76.
16. Crown is an exception here as it distributed between six and ten films per year.
17. The figures are taken from Finler, 2003, pp. 366–7.
18. Lowry, 2005, 43.
19. 'In Times like these, Film Fare Trend Should Be Escapist, AIP Reasons', in *Daily Variety*, 17 August 1970.
20. Hillier, 1994, p. 47.
21. Hillier, 1994, p. 47.
22. For more information on the distribution history of the film, see Wyatt, 1998b, pp. 74–5.
23. 'Crown Int'l to Celebrate 15th Anniversary in "74" ', in *Box Office*, 15 October 1973.
24. According to an MPAA-commissioned survey in 1977, 57 per cent of all tickets were bought by people who were under 25 years old (Cook, 2000, p. 23).
25. Davis, 1997, p. 111.
26. Cook, 2000, p. 262.
27. Cook, 2000, p. 257.
28. The figures are taken from Cook, 2000, p. 335.
29. The figures are taken from Cook, 2000, p. 16.
30. The figures in Table 6.2 are taken from: Isenberg, Barbara, 'Formula Flicks: A Film-Maker Cashes In On Low-Budget Movies Exploiting Fads, Trends', in *The Wall Street Journal*, 5 May 1970, pp. 1 and 17; Getze, John, 'Horror or Horrid Films, AIP Quickies Score at Box Office', in *LA Times*, 20 February 1974; 'Record Profits Gross For AIP As 20th Year Winds', in *Daily Variety*, 17 May 1974, pp. 1 and 18; and '$2.9 Mil A.I. Profits For Fiscal 1976 On Record Gross Income', in *Daily Variety*, 13 May 1976, pp. 1 and 4.
31. The figure for *Jaws*' budget is taken from Cook, 2000, p. 41. The figure for AIP's credit line is taken from, 'AIP Free of Debt, Bank Loan Repaid', in *The Hollywood Reporter*, 21 March 1975.
32. The figure is quoted in McBride, Joseph, 'Arkoff Lambastes "Suicidal" Film Budgets; Says Labor, Talent Also Cost Too Much', in *Daily Variety*, 30 January 1976, pp. 1 and 4.
33. Cook, 2000, pp. 11–12.
34. Cook, 2000, pp. 12 and 312.
35. Segers, Frank,' Arkoff Chides Film Leaders, Inaction In Defence; Credits "Tax Shelter" As Indispensable', in *Weekly Variety*, 8 October 1975, pp. 3 and 38.
36. 'American International Draws Lotsa Exhibs To N.Y "Advance" ', in *Weekly Variety*, 15 June 1977.

37. 'AIP Orders 3835 Prints For Six Summer Releases', in *Daily Variety*, 14 April 1977.
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43. Lewis, 1995, p. 35. The company had already dropped 'Pictures' from its name in the early 1970s, having become American International.
44. Lowry, 2005, pp. 48–9.
45. The figures are taken from Hillier, 1986, p. 51.
46. The figure is taken from Hillier, 1986, p. 53.
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50. Balio, 1987, p. 341.
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52. Edgerton, 1986, p. 41.
53. Daressa, 1986, p. 56.
54. Richter, 1986, p. 22.
55. The figures are taken from Biskind, 2005, p. 17.
56. Biskind, 2005, p. 17, original italics.

7

MINI-MAJORS AND MAJOR INDEPENDENTS

INTRODUCTION

As the conglomeration of the film industry was in full swing in the late 1970s, the development of new technologies such as cable and pay-cable television, home video and (during the 1980s) satellite television created new lucrative markets for the exploitation of the feature film. Gradually, the theatrical run became only one – though still extremely important – avenue for the commercial exploitation of a film, before it found its way to the other ancillary markets. With the commodity already produced, the only expenses involved would include new marketing campaigns tailor-made to the particular demographics the new exhibition technologies served, and the cost of the transfer to the new format (such as the production of video cassettes). Realising that the ancillary markets could increase the potentially large profits from film production exponentially, the conglomerate owners of the majors moved swiftly to control all those markets.

This move became particularly evident in the early and mid-1980s when the conglomerates started downsizing their interests in other areas, concentrating instead on expanding their holdings in the entertainment and leisure areas. The result of this process was that the conglomerates evolved gradually into fully diversified entertainment corporations. This evolution was characterised by a wave of mergers and takeovers in which the parent companies of the majors acquired or established a large number of entertainment divisions to accompany their film-producing and -distributing subsidiaries. The main consequence was the creation of a horizontal structure whereby all the divisions of the conglomerate were in the business of

distributing and promoting different formats and versions of the same product, a feature film that was originally financed and distributed by the majors. This 'interdependency of cultural production and distribution', which is often referred to as 'synergy', influenced immensely the trajectory of mainstream American cinema, as these companies increasingly privileged the production of properties that could be easily exploited in ancillary markets. In other words, they privileged the production of films that could attract repeat viewings (because of the stars they featured, the special effects they contained, the music that accompanied them, and so on).[1]

The introduction of all these distribution technologies signalled the creation of new exhibition outlets, all of which needed sufficient product to operate cost-effectively. At a time when the majors were distributing just over 100 films a year on average, it was clear that demand for films would be staggering. Exploiting their existing film libraries (licensing their old films for exhibition in the cable and video markets) was one of the main measures the majors took, but the demand was mainly for new product. This became particularly evident in the mid-1980s when the home video market showed a tremendous growth (from 1,850,000 VCR sets in 78,000,000 households [2.4 per cent penetration] in 1980, the number reached 32,000,000 in 87,400,000 households [37.2 per cent penetration] in 1986, on the way to 67.6 percent penetration three years later).[2] With pay-cable subscriptions exceeding slightly the number of VCRs in 1986 (32,500,000 subscriptions),[3] it was clear that any film producer stood a chance of having their film released in one or more of the non-theatrical markets, regardless of the film's quality and regardless of whether the film received theatrical distribution. This was particularly good news for the exploitation independents who survived the cut-throat environment of the theatrical market in the late 1970s. Companies like New World Pictures and Crown International moved almost exclusively to the home video market and took their place next to a number of newcomers (Vestron, Vidmark, Full Moon and many others), which were established to exploit specifically these highly unusual circumstances.

These circumstances, however, were not auspicious only for the exploitation companies. As those low-end independents exited the theatrical market they created new gaps that larger companies like Filmways (the rebranded American International Pictures) were in no position to fill on their own. Existing theatrical distributors like New Line Cinema and Cannon started reducing the number of imports in the early 1980s, focusing instead

on the financing and distribution of American films that could be exploited more easily in the ancillary markets. Furthermore, the theatrical market saw the establishment of a number of new companies, both in the distribution business (Miramax Films) and in the production business (the De Laurentiis Entertainment Group and Orion Pictures, both of which later entered theatrical distribution). Although these companies would also feel the pressure of the majors, they would nevertheless try to survive first by feeding the many distribution pipelines of the majors before exploiting the option of branching out to ancillary markets themselves, and perhaps compete directly with the entertainment conglomerates.

These companies have been labelled – often interchangeably – 'mini-majors' or 'major independents' and represent a new development in the independent sector. Although a concrete definition for both terms is still largely elusive, Justin Wyatt and Jim Hillier have offered some useful suggestions. On the one hand, Wyatt argues that major independents are the hybrid production and distribution companies that were allowed a large degree of creative autonomy after they were taken over by a conglomerate parent.[4] This makes New Line Cinema and Miramax major independents after their respective takeovers in 1993 by Turner Broadcasting System and the Disney Corporation respectively. On the other hand, Hillier suggested that a mini-major was an adequately capitalised independent production and distribution company that 'operate[d] – or tried to operate – outside the orbit of the majors', but which set itself up as a smaller version of a major.[5] This definition makes pre-1993 New Line Cinema and a company like Orion Pictures mini-majors. Although such definitions are somewhat problematic (the first one uses the term independent while a company is a subsidiary of a conglomerate; the second presents the companies simply as smaller majors and does not allow space for qualitative differences between majors and mini-majors), they nevertheless provide a platform from which one could explore this relatively new phenomenon in the independent sector.

Whether labelled mini-majors or major independents, Orion, Miramax, New Line and a few others were responsible for the production, finance and/or release of a very large percentage of US films during the 1980s and 1990s. As they were not owned by a conglomerate parent company (at least until 1993 for Miramax and New Line), but mainly because they worked with much lower budgets than the majors and with more unusual film material, these companies became part of the discourse of American independent cinema. Very soon each company had found their own niche

in the film market: Orion became known for the production of mid-budget, quality films; New Line became particularly associated with low-budget horror films, like the *Nightmare on Elm Street* series and later in the 1980s with the very successful *Teenage Mutant Ninja Turtles* franchise; while Miramax, originally specialising in the marketing and distribution of controversial films from Britain and the United States, eventually took over Orion's place in the industry after moving to the production and distribution of mid-budget quality films with the potential for crossover success.

Together these 'independents' contributed to the institutionalisation of American independent cinema as they provided a large part of the infrastructure for the development of a thriving brand of filmmaking that presented several differences from mainstream filmmaking (the blockbusters and star-studded vehicles of the majors). The phenomenon of the institutionalisation of independent cinema will be discussed in detail the following chapter. This chapter will concentrate on the phenomenon of mini-majors as particular examples of independent companies within the American film industry in the 1980s. As the subject has been under-researched, the chapter will undertake a thorough examination of one such mini-major, Orion Pictures, and will discuss in detail its organisation, structure, conduct of business and especially its position in the industry. Even though Orion went bankrupt in December 1991, it was widely considered throughout the 1980s as 'a sanctuary for creative filmmakers', who could not make the films they wanted within the conglomerate environment of 1980s Hollywood.[6] For that reason, this chapter will pay particular attention to the measures the company took to avoid the possibility of a corporate takeover and thus retain its independence amidst a small number of fully diversified entertainment conglomerates.

A STAR IS BORN

Orion came into existence in February 1978 when five top executives left United Artists after disagreeing with the executives of Transamerica, the corporate parent of UA, and formed a new company.[7] The departure of Arthur Krim, Robert Benjamin, Eric Pleskow, Morris 'Mike' Medavoy and William Bernstein sent shockwaves through Hollywood mainly because of the fact that Krim and Benjamin had been running UA for twenty-seven years but also because of its unprecedented nature. As in UA, Krim became

the chairman of the newly founded company with Benjamin acting as co-chairman and Pleskow as president and chief executive officer, whereas Bernstein and Medavoy assumed the positions of executive vice-president of business affairs and of worldwide production respectively.

The industrial reputation of the Orion executives brought in willing investors immediately after the company's formation. Warner Bros quickly established a distribution deal with Orion and helped them raise $90 million in financing.[8] The deal saw Orion becoming Warner's first satellite film production company in the same way that Warner's music division had a number of satellite labels (Warner/Reprise, Atlantic, Elektra and Asylum) under its orbit, labels which were autonomous in terms of management and creative decisions, but which had to use Warner's distribution apparatus to put their product in the market. This type of arrangement specified that Warner and Orion were equal partners in a new company called Orion Ventures Inc. Orion would have complete autonomy and control over the 'number and type of films' made and Warner would 'market and distribute the films' even though according to the contract, Orion would be also granted 'the broadest autonomy and control over distribution and advertising.'[9]

Although the model of Orion Ventures Inc. with its substantial financing and its seemingly favourable terms gave the five executives an excellent opportunity to re-enter the film business at a time when the average negative cost for a film was still relatively low, it nevertheless proved to be problematic for both partners. Questions of authority and control over Orion's projects were raised even within the first six months of the partnership.[10] Marketing and distribution, in particular, became a moot point in the two companies' conduct of business as Warner had the ultimate say in such matters, despite the above-cited contract clause. Thus Orion-produced films with some box office potential such as *A Little Romance* (G. R. Hill, 1979), a love story that featured Laurence Olivier and, especially, *The Great Santini*, a gritty drama with Robert Duvall, which was released on three different occasions with modified marketing campaigns, did not manage to find an audience partly because of the way they were handled upon their release by the major.

Furthermore, Warner's foreign distribution offices were empowered to veto the release of Orion's films, if they thought that they would not perform well in specific markets, which could deprive Orion of potential profits.[11] Finally, and perhaps more importantly, Orion was not in a position

to deliver Warner the stratospheric profits that the expensive, effects-laden, action/adventure-oriented films were bringing to the other majors. With Orion's line of credit set at $90 million, it was obvious that the company could not afford to make such films. As a matter of fact, Orion had to pass on *Raiders of the Lost Ark* (Spielberg, 1981) due to its high cost and the principal players' demands from the film's gross. As Medavoy put it:

> the deal was too one-sided, which was the reason why we passed . . . But basically Lucas, in effect, really was the co-financier, and that becomes the tail that wagged the dog. But at the same time, in effect, really talent is going around saying, 'Hey, we're worth so much and we're willing to throw in our talent in exchange for control and rights.'[12]

Coupled with Warner's charging Orion a distribution fee which extended from 30 per cent for domestic releases to 40 per cent for worldwide ones, the risks in producing an event film were much higher for Orion in the case of box office flops, as Warner would be the first party to collect money from the film's gross in the form of a distribution fee. In other words, Orion was not in a position to follow the signs of the time in the American film industry, signs that were overwhelmingly pointing towards the direction of blockbuster/high-concept films.

Between 1978 and 1982 Orion produced twenty-three films for Warner. From these only two were hits, *10* (Edwards, 1981) and *Arthur* (Gordon, 1981), both vehicles for Dudley Moore with rentals of $37 and $42 million respectively,[13] six were moderate successes, while fifteen films lost money at the US box office.[14] With the above results hardly demonstrating a high-flying start for Orion or substantial profits for Warner, both partners in the venture felt that the arrangement was not working out. In fact, shortly after Orion had passed on *Raiders of the Lost Ark*, Krim had sent a memo to his partners where he explained that the risks in the filmmaking business had become considerably higher for companies that were not in the distribution business, so much so that if a film company did not possess an extensive library of titles, it could not then aspire to remain competitive in the long run.[15] Krim's memo essentially mapped Orion's aspirations to become a producer-distributor that would have the power to exploit its films in various ancillary markets, the way the majors had evolved. In other words, Krim wanted to turn Orion into a mini-major.

The company decided into venture into the distribution business before its contract with Warner expired. As its first priority Orion set out to acquire a film library from an existing independent company. After briefly entertaining the possibility of taking over Embassy Pictures (which by that time had shifted its attention to television production) and Allied Artists (which was deemed too small for Orion's plans) Orion targeted Filmways. Despite a few hits in the early 1980s such as The *Amityville Horror* (Rosenberg, 1980) and *Love at First Bite* (Dragoti, 1980) Filmways had been experiencing severe financial difficulties to the extent that it could not afford the marketing costs for a number of completed films that awaited distribution, including Milos Forman's *Ragtime* and Brian De Palma's *Blow Out*.[16] With its stock at a very attractive price, a partnership of companies fronted by Orion and including Home Box Office (HBO), a then recently formed cable broadcaster, bought out Filmways for $26 million.

Almost immediately the new owners started bringing Filmways around by selling the company's non-media-related subsidiaries. A few months later, on 30 July 1982, the name Orion officially replaced the name Filmways.[17] In order to release the two films, especially the eagerly anticipated *Ragtime*, Orion established the first of a series of deals with HBO, which mainly revolved around the pre-selling of film rights to the cable channel and the subsequent use of the generated revenue to market and distribute the films theatrically.[18] However, the most important element in the Filmways takeover was that Orion acquired its extensive library of approximately 950 titles. This meant that Orion could enter the distribution business in both theatrical and ancillary markets, especially at a time when VCRs had started taking the United States market by storm. In addition, Orion demonstrated an appetite for competing directly with the established powers in the arena of theatrical distribution by announcing plans to release at least one picture per month and in the words of Eric Pleskow, '. . . to be as voluminous a supplier of motion pictures to the world as any other company.'[19]

The New Orion Constellation

Orion entered the theatrical distribution business with one film per month for the second half of 1982: *Midsummer Night's Sex Comedy* (Woody Allen) in July; *Summer Lovers* (Kleiser) in August; *First Blood* (Kotcheff) in October and *Split Image* (Kotcheff) in November. *First Blood*, in particular, which

starred Sylvester Stallone, became by far the most profitable film in that period, grossing more than $45 million at the US box office.[20] Orion had bought the domestic rights from Carolco for $8 million, a substantial price for a company just entering the business, and invested heavily in the marketing of the film. With several millions of pure profit just from *First Blood* in its first year as a distributor, Orion was this time off to a flying start, even though it failed to secure sequel rights in what was destined to become a significant franchise in the 1980s.[21]

In 1983 Orion established a new division, Orion Classics, to handle art-house foreign films in the American market. The decision to create the Classics division saw Orion following a new trend in Hollywood, which marked the majors' attempt to control the specialised art-house film market (see Chapter 8). The formation of the Orion Classics became another platform for a second mass departure of executives from United Artists, which by that time did not bear any resemblance to the glorious major company of past decades. Tom Bernard, Donna Gigliotti and Michael Barker, the executive team in United Artist Classics, accepted the invitation to lead the new Orion division and, in a sense, continue the policies which had helped UA Classics dominate that niche market for the past four years. Besides the team's unquestionable savvy in the art-house market, the parent company hoped that they would also lure European talent to Orion at a time when the company enjoyed almost no previously established relations with Hollywood talent.

Distribution of the in-house Orion production slate started in early 1983. The first two films released were *Lone Wolf McQuade* with the then extremely popular Chuck Norris and the Richard Gere vehicle *Breathless*, a remake of Godard's *A Bout se Souffle*. Both films were moderate successes and the same can be said for Carlos Saura's *Carmen*, which became the first film to be released by the classics division. For the newly formed Orion moderate successes were still successes. As Medavoy stated in *Variety*: 'if every picture on [t]here broke even I'd be very happy', a surprising statement considering the essentially capitalist nature of the film business but, more importantly, a sign of the somewhat different path Orion was willing to follow.[22]

Orion's modest business philosophy opens up the debate on the position of the company within the Hollywood industrial landscape in the 1980s and whether a film company with such a mentality could be included in the club of the majors, even as the smallest of them, as Stephen

Prince has suggested.[23] As we will see, Orion drifted between this modest approach articulated by its head of production in 1983 and a more piecemeal attempt to expand to the major league (especially after the success of its 1986–7 film output). The obvious lack of coherence in Orion's business strategies turned out to be a costly mistake as the company was left behind at a time when the established majors were in the process of achieving full vertical and horizontal integration and moving entirely into the business of making blockbusters in the 1990s.

Immediately after the modest success of its first titles, Orion revealed plans to compete directly with the major studios. For the period between July and December 1983, the company announced plans to release nine motion pictures, with another fourteen features scheduled for 1984. The lion's share of the 1984 production slate was in the last quarter of the year, when *The Cotton Club* (the new Francis Ford Coppola film), *Amadeus* (the new Milos Forman film) and *The Terminator* (a science fiction action/adventure film with Arnold Schwarzenegger) were to be released. Most of the films distributed between 1983 and 1984, however, failed at the box office (only *Amadeus*, *The Terminator* and *Woman in Red* returned profits). Despite this drawback, the company persisted with a record fifteen films for 1985 and yet again aimed to release them at a steady rate (approximately one film per month) in order to prove to exhibitors that it was a reliable supplier of product.

1985 proved to be a very successful year for the company. Films such as *Terminator*, *Woman in Red*, *Code of Silence* and *Desperately Seeking Susan* performed well at the US box office, whereas *Back to School* proved to be the biggest hit of all, approaching the $100 million mark.[24] This success set the foundations for a record seventeen pictures scheduled for release in 1986, most of which were in-house productions. These seventeen films were to be wholly financed by Orion with funds accumulated through deals with HBO.[25] According to *Variety*, only the 1985 deals with HBO brought Orion funds within the region of $50–75 million, bringing up the level of total revenue that the company generated from its partnership with HBO (since 1982) to in excess of $150 million.[26]

The Shining Star

The success of Orion's films in 1985 and the deals the company made with HBO convinced American banks that Orion was on its way to 'major

Figure 7.1 *Back to School*. The Rodney Dangerfield vehicle gave Orion Pictures an unexpected $100 million hit. Only the Oscar-winning *Platoon*, *Dances with Wolves* and *The Silence of the Lambs* proved financially more successful.

status' and for that reason they extended its credit line from $100 million to $200 million. With advances from the above deals and from a major pact with RCA/Columbia, which acquired the foreign home video rights to Orion's theatrical releases, the company accumulated enough capital to finance every major picture that went into production in the second half of 1985 and 1986 (for release in 1987) with an average cost of $7.5–8 million.[27] In fact, the only dark moment in Orion's business trajectory at the time was the spectacular failure of *The Cotton Club*, which cost around $46 million and grossed only $25.9 million. However, despite the disappointing box office figures of Coppola's gangster-musical epic, Orion continued to record healthy profits.[28]

Towards the end of 1985 the Orion management struck more deals with foreign distributors for the rights of theatrical releases. In addition, and with an eye to ancillary markets, Orion negotiated deals with foreign cable television companies in several western European countries.[29] Finally, in December 1985, Orion announced plans to form its own home video apparatus in order to increase its profits from that particularly

lucrative ancillary market. Up to that point, the Orion titles had been distributed by independent video companies such as Vestron and Thorn EMI in the United States and by RCA/Columbia in the rest of the world. Since the deals for both the United States and abroad were due to expire at the end of 1987, Orion postponed the launch of its home video division (Orion Home Entertainment) for December 1987.[30] Additionally, and in the fashion of a diversified company, Orion had also commanded a large share of the network television profits with the phenomenally successful series *Cagney and Lacey*, which since 1985 had also started an extremely lucrative career in syndication.

By the end of 1985, Orion seemed to be moving firmly in the same direction the majors had taken since the mid-late1970s, namely horizontal integration with several divisions of a company specialising in different entertainment areas. At the same time, however, Arthur Krim continued to ground the company's production output in the low to mid-budget region, while explicitly refusing to place Orion in the same league with the majors, which were solely in the blockbuster business. For the Orion chairman, the company's future would involve minimum risk investment and more co-financing deals to avoid big financial disasters.[31] This incoherent approach to the filmmaking business exemplified Orion's history in the second half of the1980s and, as mentioned earlier, proved fatal for the long-term future of the company.

In the short term, however, Krim's philosophy seemed to pay off handsomely. 1986 was the year of *Platoon* (Stone), a $5.4 million, independently financed film about the Vietnam war that had previously been rejected by all major studios. Orion, which bought the film's rights from Hemdale, opened the film on a platform release (opening the film in a small number of screens and waiting for word-of-mouth to build up) and watched it do impressive business. It went on to gross $137 million at the US box office and become the highest money-earner in Orion's short history, while also winning four Oscars (including one for Best Picture) in 1987.

The success of *Platoon* convinced Orion that the market for low-to mid-budget films ($6–10 million) was still lucrative and that the company – in the absence of the majors – was in a position to control it. That market, however, is even less stable than the market for blockbusters, mainly because even blockbusters that have failed at the box office are still in a better position than mid-budget films to recoup part of their cost from the ancillary profit centres, especially those associated with merchandising.

If, on the other hand, a $10 million film failed to find an audience in its theatrical outing, it would be extremely difficult for the distributor to get even a small part of its investment back apart from distribution to cable, video and television and provided that the film's failure in its theatrical run has not completely predetermined its performance in those ancillary markets.

The extraordinary financial success of *Platoon* and of other solid hits such as *Hannah and her Sisters* (Woody Allen, 1986) pushed Orion for the first three months of 1987 to number one at the US box office.[32] Orion was ready to continue its monthly releases with increasingly expensive films (*Robocop* [Verhoeven] and *No Way Out* (Donaldson]) scheduled for the summer months in direct competition with the summer blockbusters of the majors. With the classics division also securing record financial results from the distribution of art-house box office champions such as *Jean De Florette* (Berri, 1986), Orion retained its top position at the box office for the following three months of 1987.

Inevitably, the increased rentals brought about plans for further expansion. With the line-up of films for the following season looking strong (especially the comedy *Throw Momma from the Train* [De Vito, 1987]) and with the establishment of a home video subsidiary already arranged for the end of 1987, Orion's executives started exploring the possibility of entering the exhibition arena. After Reagan's *laissez-faire* policies reversed the Paramount Decree of 1948, the majors had started re-acquiring theatres, especially in large metropolitan areas. Even though theatre ownership by a production/distribution company in the 1980s did not automatically indicate the same benefits of the vertical integration of the studio era, it nevertheless meant tighter diversification and further control of all exhibition outlets.[33] Although it is debatable whether a company without a corporate parent such as Orion had the financial muscle to expand aggressively in that area, the Orion executives, in theory at least, seemed to be willing to follow the majors' path and invest in theatre acquisition.

Orion's venture into exhibition did not materialise. In recent interviews, both Pleskow and Medavoy admitted that the company could never afford the purchase of theatre chains, while its plans for expansion to exhibition were just rhetoric aiming to demonstrate that Orion was not lagging far behind the majors.[34] By the end of 1987, the company had slipped at the box office to fourth position. The rentals from its successful films such as *Throw Momma from the Train* were offset by the financial failures of films

such as *Best Seller* and *House of Games* (Mamet, 1987), and the company's financial stability was further threatened when in March 1988 it revealed a long-term debt of 64 per cent of capitalisation.[35] Most of the heavy debt had originated from the company's extensive borrowing for the establishment of the home video arm and the executives' belief that once they released films from the company's library for video exploitation, they would be able to record more profits. The ex-AIP library however did not exactly consist of major titles with box office potential.

More importantly, the differences between Orion and the established majors had started to show as Orion did not have a corporate parent to guarantee the flow of capital under difficult circumstances (such as a series of box office failures), and did not own production facilities or possess any real estate that it could use as collateral to raise funds. From that point on, Orion entered a period of decline which could not have been reversed despite record rentals from such successful films as *Dances with Wolves* (Costner, 1990) and *The Silence of the Lambs* (Demme, 1991).

The Fading Star

In order to secure the company's independence, Arthur Krim had convinced John Kluge, one of the richest businessmen in the United States, to become the largest shareholder in Orion and thus fend off any takeover suitors, if and when they ever appeared. When Viacom, a large cable television operator, which had diversified into all areas of entertainment, made such a move for Orion, Kluge went to extreme lengths to keep the company independent, eventually acquiring himself a controlling interest as large as 72 per cent.[36] This meant that Kluge had made a large investment in Orion and, not surprisingly, expected to see good financial results. If the returns from the late 1987 line-up were disappointing, the 1988 slate looked more promising with star-studded films such as Ron Shelton's *Bull Durham* (Kevin Costner, Susan Sarandon) and Alan Parker's Oscar-targeted *Mississipi Burning* (Gene Hackman, Willem Dafoe). Along with the Classics' release of the art-house smash *Camille Claudel* (Nuytten) with Izabel Adjani and Gerard Depardieu, Orion sought to repeat its 1986–7 triumph.

However, things did not work out this time. Although *Bull Durham*, *Mississipi Burning* and other hits such as *Dirty Rotten Scoundrels* (Oz, 1988) and *Colors* (Hopper) returned rentals of approximately $20 million each,

the company was not able to recoup its investment as the above films' budgets and marketing costs were considerably higher compared to the production and advertising costs of Orion's earlier films. Furthermore, Parker's film with eight Oscar nominations lost to *Rain Man* in all major categories, while Peter Yates' *The House on Carroll Street* grossed less than $0.5 million despite positive reviews. Not surprisingly, by the end of 1988, Orion had dropped to last in terms of its percentage at the US box office.

The poor performance of the films sent Orion's debt to new heights and the company found itself in a position that did not allow much room for manoeuvring. Under these circumstances, the decision to stick to a release schedule for fifteen films in 1989–90 was certainly a gamble, one that was destined to have major repercussions in the next two years, especially when the first 1989 releases were extremely disappointing in terms of their box office gross with Woody Allen's critically acclaimed *Crimes and Misdemeanors* proving only a modest hit (around $18 million) and with *Bill and Ted's Excellent Adventure* (Herek; approximately $40 million gross) becoming the only solid hit for the company. To make things worse, *Valmont*, Milos Forman's first feature after the multi-Oscar winner *Amadeus*, proved also a major financial disaster, recording a petty $1,132,000 gross in its theatrical run. A very important reason for *Valmont's* cold reception was the fact that less than a year earlier Universal had released the extremely successful and star-studded *Dangerous Liaisons* (Frears, 1987), which was also based on Choderlos de Laclos' novel. For a second consecutive year Orion occupied the last position at the American box office with 4.2 per cent of the market share.[37]

Orion's survival depended heavily on the production roster of 1989 scheduled for release in the following year. On paper, the line-up looked very impressive: a Robin Williams vehicle (*The Cadillac Man*, Donaldson), the new Woody Allen film with Mia Farrow (*Alice*), Richard Benjamin's *Mermaids* (with Cher), the sequel to *Robocop* (*Robocop 2*, Kershner), an action film with Charlie Sheen (*Navy Seals*, Teague), a film with ascending star Alec Baldwin (*Miami Blues*, Armitage), Dennis Hopper's neo-noir *The Hot Spot*, Phil Joannou's mafia picture *State of Grace* and, finally, a $20 million gamble, the revisionist western *Dances with Wolves*, which marked Kevin Costner's directorial debut. Furthermore, the company had some other films mainly as fillers for the a-film-per-month schedule as well as two potentially prestige creations, Alan Rudolph's *Love at Large*

and the Arthur Miller-scripted / Karel Reisz-directed *Everybody Wins* with Nick Nolte and Debra Winger. Last but not least, the classics division had lined up the incredibly successful, in Europe, Jean Paul Rappenau's *Cyrano*, which had the potential to surpass the box office record of the previous Orion Classics hit, Pedro Almodovar's *Women on the Verge of a Nervous Breakdown* (1988), which had grossed $7,179,000.

Just before the first 1990 release, however, Orion was hit by its first restructuring at the top management level. Medavoy left Orion for another newly founded company Tri-Star, a subsidiary of Columbia, HBO and CBS. Medavoy's breaking away from a team of executives who, to that point, had worked closely together for sixteen years and had developed a reputation for being extremely loyal to the company and to each other clearly suggested that there were cracks in the working relationship between the members of the Orion group. His departure, however, coincided with a huge deal that Orion made with Sony Columbia in February 1990 according to which Columbia acquired the foreign theatrical distribution rights for the following fifty Orion productions for the amount of $175 million.[38] Although the above deal advanced Orion much-needed cash it also excluded the company from any profits from the lucrative European market. In the very likely event that Orion had a hit, it would be Columbia that would reap the benefits.

The returns from the first films released in 1990 were not particularly encouraging, but they marked a substantial improvement over the previous two years. *Cadillac Man*, *Mermaids*, *Madhouse* and *Navy Seals* grossed between $20 and $35 million each, proving either modest box office successes (*Navy Seals* and *Madhouse*) or modest failures (*Mermaids* and *Cadillac Man*). The second instalment of *Robocop* was a solid hit (returning $22,317,000 in rentals) as was *Cyrano*, which proved a massive hit in the art-house market, grossing in excess of $15 million and becoming the most successful foreign film in the history of the American box office as well as getting six Academy award nominations. However, the company showed dismal results from a series of films, most of them in-house productions, which did not manage to find an audience and ended up grossing less than $2 million each: *The Hot Spot*; *State of Grace*; *Everybody Wins*; and *Love at Large*. As a consequence, whatever small profits the company made from its hits were easily offset by the above box office flops. If *Dances with Wolves*, which was the last film to open in December 1990, also failed Orion would be in extreme financial trouble.

The Last Bonfires

The company's release strategy for *Dances with Wolves* was similar to the strategy it followed for *Platoon*. With the latter essentially promoted as the film that depicted 'what really happened in Vietnam', *Dances with Wolves* was also promoted as a revisionist western that 'speaks the truth' about the Indian genocide by the whites. And as Orion opened *Platoon* in a only few theatres to build word-of-mouth before expanding it in time for the Oscar nominations, so did it release *Dances with Wolves* in only fourteen sites, before opening the film wide after an unprecedented public response.[39] With the help of twelve Oscar nominations, the film reached its peak in 1,608 screens accumulating an astounding $184,208,842 gross at the American box office ($81,538,000 in rentals) and a stellar $240,000,000 at the foreign box office.

Even these highly unexpected returns from the film were not substantial enough to reverse the situation. By the time *Dances with Wolves* was at the peak of its popularity, almost three weeks before the 1990–1 Academy awards, Orion recorded a $63 million net loss for the same fiscal year.[40] One very important reason behind Orion's inability to capitalise on the success of *Dances with Wolves* was the fact that the producers of the film had pre-sold foreign theatrical rights to various European distributors to raise funds for the $20 million budget of the film. This of course meant that Orion did not see a single cent from the $240 million gross outside the United States.[41] Still, Orion could at least count on its share from the $81.5 million rentals from the US market, which would help distribute its 1991 films, especially what turned out to be the company's last hot property, Jonathan Demme's *The Silence of the Lambs*. Released during the least commercial end-of-the-winter season (13 February 1991) in 1,497 screens and as *Dances with Wolves* was still running high, the film reached blockbuster levels grossing $130,726,716 at the US box office ($59,883,000 in rentals) and recording about an equal gross outside the United States. This time Orion had not made the mistake of selling the ancillary rights for the film and consequently benefited from its unexpected financial success.[42]

Although both *Dances with Wolves* and *The Silence of the Lambs* dominated the box office for most of 1991, the profits were not enough to reverse the financial results of the company. It was pretty obvious then that by the end of 1991 Orion was well on its way to bankruptcy unless it was sold to

a company which had enough capital to guarantee a debt of $500 million.[43] Unfortunately, the rest of Orion's history had a lot more to do with its attempt to resolve the financial crisis than with its contributions to American cinema. *The Silence of the Lambs*, which became only the third film in the history of American cinema to win all five major Academy awards, stood as Orion's swan song.

The Fall

In many respects, Orion's decline and eventual bankruptcy in 1991 was precipitated by its persistence in operating independently, especially after it seemed that it had established itself in the theatrical market and had made the decision to compete with the majors. As the majors continued their involvement in mergers and takeovers to maximise their exploitation of synergies and to control every possible distribution window, Orion's policy of independence was seen as an anachronism. For industry observers the consensus was that, by the late 1980s/early 1990s, the entertainment industry game had become far too advanced for a company with clear financial limitations like Orion. Having missed the 'opportunity' to merge in the late 1980s, Orion had no other option but to try to survive on its own, mostly through a series of irregular manoeuvres, which each time provided the company with the necessary means to stay in the game for a short period of time but never for the long run.

As the company started losing money in 1988, its main shareholder John Kluge tried to sell it to a number of interested parties under the condition that the new owner would respect Krim's management regime. This particular stipulation, however, kept buyers away as they did not agree with the mid-budget, low-risk philosophy that Krim and his executives had initiated in the early 1980s. When two years later Kluge saw that the company's debt was increasing, he removed the stipulation. By that time, however, nobody wanted to touch the company. Despite the fact that the price of Orion's share had become extremely attractive for a company with a 1,000-strong library of film titles, buyers kept away. The most significant problem with the Orion library, the only real asset of the company, valued at around $300 million, was that most of the titles were cheap exploitation features inherited from AIP, made before 1982, and with little potential in the ancillary markets. Additionally, all the deals the company had made with cable and video companies to raise funds for the

short run had resulted in a long-term mortgaging of its films and the devaluation of its library by at least $200–300 million.[44]

With the company's debt reaching the $1 billion mark and after a major reshuffle at the top level where 81-year-old Arthur Krim was removed from his position as chairman,[45] it was obvious that Orion needed desperately a debt-restructuring plan to become operational again. Proposals by the new management, however, fell through and Orion eventually filed for bankruptcy on 11 December 1991. New efforts for the company's acquisition by New Line Cinema, Savoy Pictures and even Republic Pictures Corporation (which by that time had become a successful television producer) also failed. Finally, almost a year after filing for bankruptcy and after the remaining original Orion executives (Eric Pleskow and William Bernstein) had resigned, the court approved a restructuring plan. The plan made Orion a distribution company which could only exploit its library of titles and could enter the production business only when fully funded by third parties.[46] Since then the company had operated in the margins of the industry until 1997, when it became one more part of Kirk Kerkorian's media empire as MGM bought Kluge's film holdings, which included Orion Pictures Entertainment, for $578 million.[47]

CONCLUSION

Orion's short-lived attempt to compete with the traditional powers taught every company in Hollywood, major or mini-major, independent or semi-independent, a valuable lesson about survival in contemporary Hollywood. In a nutshell, Orion's failure has beyond any doubt underlined the overwhelming power of corporate capital, which represents the only type of safety net for the extremely precarious nature of the film business. Orion was unfortunate in choosing to pursue independence at a time when the stakes were already too high and the traditional majors had already transformed into global superpowers. Ultimately, Orion was ill-equipped to join the superpowers and its destiny was decided a long time before its petition for bankruptcy protection.

This lesson was best learnt by companies such as Miramax and New Line which, to a certain extent, shared Orion's relatively limited financial power. In 1993, these two companies secured their survival by swapping their independent status for that of the major independent. This move has provided them with the opportunity to make films 'parallel to the majors'

while also continuing 'stressing art house acquisitions which have the potential to cross over to a wider market.'[48] In this respect, New Line and Miramax have managed to get the best of both worlds as the success of expensive films such as *The Lord of the Rings* trilogy (New Line), the *Spy Kids* trilogy (Miramax/Dimension) and *Gangs of New York* (Scorsese, 2002; Miramax) has shown, while at the same time continuing the distribution of cheaply made, often challenging films such as *Bamboozled* (Spike Lee, 2000; New Line), *Storytelling* (Solondz, 2001; New Line), *Chasing Amy* (Kevin Smith, 1997; Miramax), and *Full Frontal* (Soderbergh, 2002, Miramax).

On the other hand, the Orion project has taught the traditional powers a different lesson, namely that there are still gaps in the now global entertainment market which, when exploited wisely by companies with vision, can undermine the conglomerated majors' oligopoly, even for a short period of time.

Case Study: 'That's what you thought you saw.'
Orion Pictures, Filmhaus Productions, David Mamet and *House of Games* (Mamet, 1987, 100 min.), produced by Filmhaus Productions, distributed by Orion Pictures.

David Mamet has been one of the most influential contemporary American playwrights, whose plays such as *Sexual Perversity in Chicago* (1974), *American Buffalo* (1976), *Glengarry Glen Ross* (1984), *Speed-the-plow* (1988) and *Oleanna* (1992) have been produced around the world, often in record-breaking productions. Since 1981, Mamet had also started writing screenplays for big-budget films such as MGM/Lorimar's *The Postman Always Rings Twice* (Rafelson, 1981) and Fox's *The Verdict* (Lumet, 1982). His screenwriting experience eventually attracted him to film directing.

Since his first film as a writer-director, *House of Games* in 1987, Mamet has written and directed eight films, the majority of which have been produced and/or distributed by small independent outfits such as Triumph Releasing (*Homicide* [1991]) and The Samuel Goldwyn Company (*Oleanna* [1994]), classics divisions of major companies (*The Spanish Prisoner* [1997] and *The Winslow Boy* [1998] – both by Sony Pictures Classics) and specialty divisions of major independents (*State*

and Main [2000] – distributed by Fine Line Features, New Line Cinema's specialty distribution arm), while his most recent films, *Heist* (2001) and *Spartan* (2004) have been financed by a well-capitalised independent company, Franchise Pictures, and distributed by Warner. Irrespective of where Mamet gets financing for his films, he has developed a very distinct and personal style of filmmaking that clearly departs from a number of conventions associated with mainstream Hollywood cinema. As a result, Mamet has been considered a marginal filmmaker who does not follow Hollywood's commercial trends.

Although there was considerable interest from many parties in *House of Games* (a dense psychological thriller about a female psychologist conned by a gang of con artists to), most envisaged the film as a major production with stars and with Mamet only as the film's screenwriter. Mamet however wanted to direct his script himself, so he decided to 'go independent' by approaching producer Michael Hausman. Hausman was a well known figure in the independent sector as he had been involved in the first wave of the PBS-funded contemporary independent films such as *Alambrista!* and *Heartland* but had also worked in major productions such as *Silkwood* (Nichols, 1983) and *Places in the Heart* (Benton, 1984). In 1986, Hausman approached Orion Pictures with the script for *House of Games*. Always eager to develop new relationships with talent, the distributor agreed to finance the production for approximately $5 million dollars in negative costs and let Mamet produce the film according to his very specific vision. Orion raised the funds by pre-selling the film's rights to HBO and to a number of foreign distributors on an individual basis. With Hausman's company Filmhaus Productions undertaking the administration of the production Mamet found himself in the envious position of being able to concentrate on the creative aspect of the film.

With this unusual amount of creative freedom for a first-time filmmaker, Mamet made a number of decisions that exerted particular influence on the aesthetics of his film. Arguably the most important one was that he brought a number of close collaborators from his career in American theatre to work on the film, despite the fact that some of them – actors included – had no experience in filmmaking and made their debut in *House of Games*. All of them, however, had worked for many years with Mamet in the production of his plays, while most of the actors had been Mamet's students in acting workshops where the

playwright had professed a particularly distinct approach to stage (and film) performance.

As a result the filmmaker and his above-the-line crew functioned as an ensemble, an intricately linked group of creative units whose overall contribution to the production and aesthetics of the film surpasses any one individual contribution. This means that the division of labour during the production of the film did not follow the strict hierarchy which has traditionally characterised the mode of production of mainstream (classical) filmmaking. This is not to imply that there was no pecking order in the division of labour that informed *House of Games*, or that Mamet, as the film's director, did not have the final say in questions of frame composition or editing. Rather, it means that the creative aspect of the film's production was, more forcefully than is usual, shaped by the dynamics of a tightly knit group of players.

The film's aesthetics are characterised by a particular use of film style that supports a narrative constructed in a very distinct way. Although the film's narrative structure follows, for the most part, the basic principles of classical narrative (causal coherence, continuity and character motivation), on certain occasions it departs from those principles and follows a logic of its own. These departures are mainly manifest in several clear breaks from the rules of social and/or cultural verisimilitude which immediately provide the story with a high degree of implausibility compared to a classical narrative (for instance, the long poker-game sequence in the film is so full of actions indicating that it is staged that the spectator is left wondering how the main character manages to miss all of them).

Equally, the film style employed to support such a narrative generally adheres to the rules of continuity and transparency, though, on several occasions, it also breaks those rules and consequently evokes a strong sense of 'artificiality'. These effects are mainly conveyed through the frequent absence of realist conventions in parts of the film's *mise en scène*, including frame composition, camera movement and editing (for instance on several frames the confidential information exchanged by characters should have been heard by others). For this reason, although film style is at the service of the narrative and visually supports a story that often follows a specific logic, it also comments on the narrative and in many ways breaks the spectator's

engagement with the story, something that a classical style would never do.

If one adds here the nature of the actors' performance, which follows Mamet's view that acting should be plain and physical and not emotive in order to allow the words of the text 'speak for themselves', *House of Games* represents undeniably an example of independent filmmaking that not only was financed, produced and distributed away from the majors, but also differs aesthetically from mainstream American cinema of the late 1980s. However, without Orion's financial and institutional support *House of Games* could have looked and sounded very different, if it had been made at all. The company did not only manage to provide the full budget for the film with minimum financial risk for itself, but also to secure exhibition both in the United States and abroad for a feature with no established director or marketable stars. With global distribution and exhibition secure, the filmmaker was in a position to make the film according to his – very specific – vision and hence avoid potential compromises in creative decisions. This means that the mini-major should be given its due credit for allowing the emergence of a distinct voice in contemporary American independent cinema.

Notes

1. Maltby, 1998, p. 26.
2. The figures are taken from *Velvet Light Trap*, 1991, p. 86.
3. *Velvet Light Trap*, 1991, p. 87.
4. Wyatt, 1998a, pp. 86–7.
5. Hillier, 1994, p. 21.
6. The account of Orion Pictures presented here is a shorter version of an article entitled 'Major Status – Independent Spirit: A History of Orion Pictures (1978–1992)' which I originally published in *The New Review of Film and Television Studies*, vol. 2, no 1, pp. 78–135 (http://www.tandf.co.uk). For more information on the company's reputation in the industry see Hillier, 1994, p. 21.
7. For details on the resignation of the UA executives and their reasons, see Balio, 1987, pp. 333–9.
8. Thompson, 1987, p. 56
9. Medavoy, 2002, pp. 96–7.
10. Medavoy, 2002, p. 103.

11. Pleskow, interview with the author, 24 June 2005, Weston, CT.
12. Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
13. Unless stated otherwise, all rental figures for Orion films are taken from 'All Time Film Rental Champions', in *Variety*, 6 May 1991, p. 83.
14. Hanson, 1985, p. 25.
15. Medavoy, 2002, p. 115.
16. Lewis, 1995, pp. 33–7.
17. 'Filmways Banner Retired as "New" Orion Pictures Raises Own Flag; Shareholders Double Stock Base', in *Variety*, 4 August 1982, pp. 3 and 26.
18. Hanson, 1985, p. 25.
19. 'HBO & Orion Still Going Steady as Paycabler Picks up 14 films; Homevideo's in $50–75 mil Deal', in *Variety*, 27 February 1985, p. 44.
20. Medavoy, 2002, p. 127.
21. Medavoy, 2002, p. 126–7.
22. Medavoy was quoted in, 'Diverse Orion Slate Readied, with 23 Releases Through 1984', in *Variety*, 22 June 1983.
23. Prince, 2000, p. 17.
24. Unless stated otherwise, all US box office gross takings for Orion films are taken from the Internet Movie Database (http://www.imdb.com).
25. Thompson, 1987, p. 60.
26. *Variety*, 27 February 1985, p. 44.
27. *Best Seller* (Flynn, 1987) was the only production that was not financed completely by Orion (Thompson, 1987, p. 60).
28. 'Orion Execs See Increased Credit, Longterm Profits', in *Variety*, 17 July 1985, p. 31.
29. 'Goldsmidt, with 11 Upcoming Pics from Orion, Tempers Intl. Tough Spots with Rosy Market', in *Variety*, 16 October 1985, p. 13.
30. 'Orion to Form Homevid Label for Own Output', in *Variety*, 18 December 1985, p. 95.
31. 'Execs Downplay Losses at Upbeat Orion Annual Meet', in *Variety*, 16 July 1986, p. 20.
32. 'Orion Constellation Growing Brighter while Top Execs Remain Realistic', in *Variety*, 15 April 1987, p. 32.
33. Maltby, 1998, pp. 39–40.
34. Pleskow, interview with the author, 24 June 2005, Weston, CT; Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
35. 'Most of the Cards Have Been Dealt', in *Forbes*, 21 March 1988.
36. 'A Friend in Need', in *Forbes*, 16 April 1990; 'Orion Pictures: From Hunted to Hunter', in *Broadcasting*, 17 September 1990.
37. Hillier, 1994, p. 10.
38. *Forbes*, 16 April 1990.
39. The film scored an incredible $114,558 average per screen, when an average of $10,000 is considered a marker of a solid performance. The figure is taken from http://www.boxofficeguru.com/d.htm.

40. 'Orion Moves to Trim Its Heavy Debt Load', in *Billboard*, 8 June 1991.
41. Pleskow, interview with the author, 24 June 2005, Weston, CT.
42. Pleskow, interview with the author, 24 June 2005, Weston, CT.
43. 'Sell Orion Pictures Now Or Wait Until It Revamps Its Debt Burden', in *The Los Angeles Business Journal*, 10 June 1991, p. 5.
44. *Los Angeles Business Journal*, 10 June 1991, p. 5.
45. 'New Management Takes over at Orion Pictures', in *Variety*, 8 April 1991, pp. 3 and 18.
46. 'Cash-starved Orion Trying to Sell Off Pix' in *Variety*, 11 February 1991, p. 133.
47. Medavoy, 2002, p. 204.
48. Wyatt, 1998a, p. 87.

8

THE INSTITUTIONALISATION OF AMERICAN INDEPENDENT CINEMA

INTRODUCTION

Orion's fall and eventual bankruptcy demonstrated to the other independents that economic survival depended heavily on 'cooperation' and 'symbiosis' with the conglomerated majors, the only companies with the power to release a product in every possible exhibition outlet and therefore maximise its profitability. Furthermore, the conglomerates also had the financial muscle to absorb any losses at a time of box office dry spells like the one Orion experienced in the late 1980s/early 1990s. The symbiosis between majors and independents has primarily taken two forms. First, it has taken the form of corporate takeovers, whereby independent companies were bought out by the majors but were left to operate as semi-autonomous units (Miramax, New Line and a number of the so-called 'neo-indies' such as Morgan Creek, Castle Rock, and so on).[1] Second, it has taken the form of distribution contracts, whereby independent production companies became satellite companies for major distributors (much like Orion with Warner [1978–82]). Whatever the form, commercial independent film production and distribution have become increasingly 'dependent' on the entertainment conglomerates, to the extent that the label 'independent' has become even more contentious than it was in the previous decades while the discourse on independent cinema has expanded to such an extent that the vast majority of films produced in the US can be considered independent.

The majors, moreover, have not controlled the independent sector only through their close ties with independent producers and distributors. They have also utilised their 'classics' divisions, subsidiaries that were

originally established to distribute non-American films in the United States. Starting with United Artists Classics, which, among the films of Truffaut, Fassbinder and Schlöndorff, also distributed a few low-budget American-based productions such as *Lianna* (Sayles, 1983) and *Streamers* (Altman, 1984), other classics divisions (Orion Classics, 20th Century-Fox International Classics) gradually shifted their interest from acquisitions of non-US films to distribution of independently produced and financed American films. This shift became particularly evident in the 1990s when a new breed of classics divisions such as Sony Pictures Classics, Fine Line Features (a classics division of the major independent New Line Cinema), Paramount Classics and Fox Searchlight entered the market followed by Warner Independent and Picturehouse Entertainment (a classics division set up by New Line Cinema and HBO) in the 2000s. As a result, an increasingly large number of low-budget independently produced and financed films found their way to theatrical exhibition while more and more of the profits from the commercial exploitation of these films were ending up in the majors' pockets (via their classics subsidiaries).

With the conglomerates controlling and defining the rules of the game in the independent sector, companies with no ties with their (the conglomerates') film distribution divisions (the majors, the major independents and the classics) have been pushed to the periphery of the industry, destined for a life of financial struggle that more often than not has led to bankruptcy (see Table 8.2). Only a handful of companies, led by 'indie powerhouse' Lions Gate, [2] have survived without the support of a corporate parent in the 2000s. This demonstrates clearly that American independent cinema has become a category of filmmaking practised mainly by the majors, a view that has forced critics and filmmakers to suggest that nowadays an independent film is 'a euphemism for a small-studio production'.[3] In other words, independent film has become an 'industrial category', much like genre and auteurism, which the controllers of the industry have been utilising increasingly to market low-budget films that do not contain any conventional commercial elements (stars, a name-director, special effects, clear genre frameworks, and so on). As a result, the use of the label 'independent' has become increasingly difficult to sustain, and new, more ambiguous labels such as 'indie' (short for independent but also signifying a film that could have been produced and/or distributed by any major independent or classics division) and 'indiewood' ('a grey area' between Hollywood and the independent

sector)[4] have become staples of the vocabulary used by filmmakers, film critics and industry analysts alike.

The majors' entry to the independent sector, especially after 1989 when the financial success of Steven Soderbergh's *sex, lies, and videotape* demonstrated that – given the right marketing and exploitation – low-budget independently produced film had the potential for extraordinary box office grosses, precipitated the establishment of a powerful institutional apparatus that supported a particular brand of independent filmmaking. This brand has been characterised by a number of elements associated with mainstream Hollywood cinema, especially its firm grounding in narrative, and a number of alternatives, which, according to Geoff King, include 'the experimental "avant-garde", the more accessible "art" or "quality" cinema, the politically engaged, the low-budget exploitation film and the more generally offbeat or eccentric.'[5]

The eclectic mixture of conventions from all these modes of filmmaking has created a distinct type of (generally low-budget) film that has been labelled independent primarily because of its difference from mainstream American cinema (special effects-driven blockbusters and expensive genre/star vehicles) and very often regardless of whether the film has been financed, produced and/or distributed by an independent company, a classics division, a major independent or even a major company. A particularly good example here is *Life Aquatic with Steve Zissou* (Anderson, 2004), a film that borrows from most of the alternative modes of filmmaking but was financed and released by Buena Vista, Disney's distribution arm.

Although the foundations of the institutional apparatus of American independent cinema were put into place in the late 1970s/early 1980s with the establishment of such non-commercial organisations dedicated to supporting independent filmmaking as the Independent Feature Project (1979) and the Sundance Institute (1981), the majors' entry ensured that an increasingly large number of films, often supported by the above organisations, would find their way to commercial exhibition. On the other hand, the success of some of these films (like *sex, lies, and videotape*, which grossed $24.7 million in the United States and approximately $30 million in the rest of the world),[6] enhanced the status and prestige of the organisations that nurtured or supported them and increased their visibility both with the public and with the film/entertainment community. Furthermore, the institutional apparatus of American independent cinema

benefited from the existence of a small number of independent distributors, which, despite their generally short lifespan and their eventual marginalisation in recent years, contributed substantially to the success of the above type of filmmaking in the late 1980s and 1990s (Cinecom [1980–90], Skouras Pictures [1985–94], October Films [1990–7] among others.)

With this level of support behind it, this brand of independent filmmaking began to blossom in the late 1980s to the extent that critics and filmmakers alike started talking about 'an independent movement', albeit one that has existed in almost perfect harmony with the majors and their overwhelming control of the entertainment industry. The chapter will discuss the emergence of this 'movement' and its contentious relationship to the conglomerated majors. First, however, a brief examination of the phenomenon of the satellite production company in the post-Orion era through a discussion of two 'rich' independent companies, Phoenix Pictures and Revolution Studios.

A BUSINESS OF CO-DEPENDENTS

After Orion established the modern incarnation of the satellite production company with Warner in the late 1970s, one by one the rest of the majors gradually adopted this practice. Such deals generally involved a contract between producer and distributor whereby the latter provided the former with office space in the studio lot, staffing and development funds so that the producer could develop films which the distributor could option. Once a film was greenlit for production, the distributor would then provide the producer with the budget (or guarantee the bank loans) or, as has been the case more recently, ask the producer to secure part or all of the negative costs from outside sources in exchange for distribution in all media.

This type of arrangement between independent producers and major distributors became extremely common in the 1990s and continues to be so in the 2000s, especially as staggering increases in production and marketing costs have made co-financing deals essential. For producers, co-financing is almost always the only solution as very few production companies can afford the costs of a high-budget or even mid-budget film.[7] For distributors, co-financing has also become extremely significant as the small number of films each distributor releases every year represents an extremely large

investment even for a division of a conglomerate. For that reason distributors have been looking increasingly to reduce their financial exposure in the likely case that their films do not perform according to expectations. Such an approach to filmmaking has started affecting the American film market to such an extent that *Screen International* announced in 2001 that 'what we [had known] previously as studios and independents [were] all becoming co-dependents' while 'the traditional idea of what constitutes a studio and what constitutes an independent is being eradicated.'[8] Table 8.1[9] contains a list of the production pacts between major and major independent distributors and independent production companies in November 2004. No less than 232 'independent' companies had such deals in place with the majors and their divisions.

A characteristic example of such a production company, which after a few years of attachment to a major distributor has returned recently to independence, is Phoenix Pictures. The company was set up in 1995 by former head of production for United Artists and Orion Pictures Mike Medavoy, and Arnold Messer. Since then it has produced a number of medium-budget films such as *The People vs. Larry Flynt* (Forman, 1996) and *The Thin Red Line* (Malick, 1998) and a small number of high-budget pictures including *The 6th Day* (Spottiswoode, 2000). According to Medavoy, once it became clear that it was not possible for his new company to be a producer-distributor but only a producer there were two basic models to follow: (1) obtain finance from non-US entertainment-related companies (a model that other successful independent producers of the 1990s like Franchise Pictures followed) or (2) set up partially financed output arrangement with one of the major players.[10] Phoenix Pictures chose the second model and after arranging a distribution deal with Sony Columbia it joined the growing list of production outfits that became satellite companies for the majors.

To launch its operations Phoenix attracted a number of partners (including Sony) which invested in the company in the form of equity finance. With the size of investment reaching $74 million, Phoenix managed to secure approximately $600 million production financing and entered the production business with the intention of catering for the mid-budget market ($25–30 million) with director-driven films.[11] For its first five pictures the necessary funds were raised through a deal that involved Phoenix 'borrowing money from a bank to fund a film and then buying an insurance policy to insure itself against any potential loss.'[12] Although the

Table 8.1 Pacts between independent producers and majors/major independents and classics divisions

Distribution company/major	No of pacts	Key production companies
Disney	23	Jerry Bruckheimer; Live Planet (Ben Affleck and Matt Damon); Boxing Cat (Tim Allen)
Dreamworks	20	Aardman Animations; ImageMovers (Robert Zemeckis); Red Hour (Ben Stiller)
Fox	13	Icon (Mel Gibson); Lightstorm (James Cameron); Scott Free (Ridley and Tony Scott)
MGM/UA	22	Mr Mudd (John Malkovich); Bunyan Tree (Matt Dillon)
Miramax/ Dimension	12	View Askew (Kevin Smith and Scott Mosier); Quentin Tarantino; Los Hooligans (Robert Rodriguez)
New Line Cinema	7	Rat (Brett Ratner); Benderspink (Chris Bender and J. C. Spink)
Paramount	28	Cruise/Wagner (Tom Cruise); Darkwoods (Frank Darabont); MTV (Van Toffler; David M. Gale)
Sony	35	Cheyenne (Bruce Willis); Happy Madison (Adam Sandler); Spyglass Entertainment (Roger Birnbaum); Revolution Studios (Joe Roth)
Universal	28	Imagine (Brian Grazer and Ron Howard); Kennedy/Marshall (Kathleen Kennedy and Frank Marshall); Mandalay (Peter Guber); Playtone (Tom Hanks and Gary Goetzman); Tribeca (Robert De Niro and Jane Rosenthal)
Warner Bros	34	Castle Rock (Martin Shafer); Franchise Pictures (Elie Samaha); Wildwood (Robert Redford); Malpaso (Clint Eastwood); Section Eight (George Clooney and Steven Soderbergh)
Distribution company/ classics	**No of pacts**	**Key production companies**
Fox Searchlight	3	Umberto Pasolini; David O. Russell
Focus Features	7	Pretty Pictures (Neil La Bute); This is That (Ted Hope)

scheme created many complications, especially as the first five Phoenix films as a group lost money which meant that Phoenix sought to receive compensation from the insurance companies,[13] it nevertheless was successful enough to allow the company's establishment in the industry. Since then, Phoenix has financed and produced films with production funds secured from a number of different sources, including the majors.[14]

However, a series of developments in the industry, such as the staggering increase in the stars' salaries and an over-crowded marketplace that puts pressure on every film to secure as wide an audience as possible in its opening weekend before a new wave of films is released a week later, made the production of mid-budget films in the late 1990s a virtual impossibility. Even if a company managed to secure a star of a smaller calibre and therefore keep the budget at a desirable level, such a film still had fewer chances to find an audience in its opening week than an expensive film featuring a big star. These conditions forced Phoenix to shift from director-driven pictures towards genre/exploitation films (such as the teen horror *Urban Legend* [Blanks, 1998]) while also venturing into blockbuster territory (unsuccessfully, to date).

In recent years the company broke its pact with Sony/Columbia. Rather than be tied exclusively to one major, Phoenix Pictures has become 'a supplier to all studios', developing properties with its own funds and approaching different distributors for the arrangement of production deals.[15] As the majors also recently have moved towards decreasing the numbers of their pacts with independent production companies, Phoenix found itself in a growing list of companies that, according to *Variety*, have gone 'indie', and 'seem to be thriving despite the lack of studio support.'[16]

Revolution Studios, on the other hand, has been attached to Sony Columbia since its inception in 2000. Set up by Joe Roth, former head of production at Disney and Fox and one of the co-founders of Morgan Creek in 1987, Revolution Studios did not concentrate on director-driven, mid-budget films; it focused immediately on star-driven, genre pictures like *America's Sweethearts* (Roth, 2001 starring Julia Roberts and Billy Crystal); and the universally panned *Gigli* (Brest, 2003; starring Ben Affleck and Jennifer Lopez), while also making expensive, effects-driven action adventure films like *Hellboy* (del Toro, 2004). Despite the failure of *Gigli* and of a few other titles, Revolution Studios has produced a remarkable number of films (thirty-eight pictures in five years [2001–5] with fifteen films projected for distribution in 2006). The company's record has prompted *Screen*

International to pronounce it as 'far and away the most successful and consistent of the independently financed production labels funnelling movies into the studio system.'[17]

The success of the company lies both in the type of films it produces and in its structure. Like Phoenix Pictures, Revolution Studios has a number of partners, which contribute proportionally to the negative costs of each film Revolution produces. This arrangement has allowed Revolution to capitalise fully on its successes, while experiencing minimal losses when its films fail at the box office. It has also allowed its distributor and partner, Sony Pictures, a constant flow of mainstream films for which the major pays only a fraction of the films' negative costs. In this respect, if for a company that specialises in director-driven pictures and produces one or two films per year (like Phoenix) the best business strategy is to become a supplier to all majors, then for a company like Revolution Studios, which produces a high volume of films per year, it is to maintain an affiliation with only one major.

The runaway success of Revolution Studios has forced the trade press to consider its approach to filmmaking as 'the classic new model for an independent in Hollywood',[18] and to incorporate companies like Phoenix and Revolution within the discourse of American independent cinema in the 1990s and 2000s. This part of the discourse, however, has been largely overshadowed by a different group of films and set of production and distribution companies which have laid a much stronger claim to the label 'independent' than the majors' affiliates. The emergence of this 'other American independent cinema' became possible only after a strong institutional apparatus was put in place, with the majors also present but under a different guise.

INSTITUTIONAL FRAMEWORK (1): ORGANISATIONS DEDICATED TO SUPPORTING INDEPENDENT FILMMAKING, FINANCE OPPORTUNITIES AND INDEPENDENT DISTRIBUTORS

Film critics have repeatedly referred to *sex, lies, and videotape* as the film that changed the face of American independent cinema and have labelled 1989, the year of the film's release, a 'watershed' year.[19] Although the scale of its commercial success and its award of the *Palme d'or* at the Cannes Film Festival in 1989 (see the Case Study on p. 272) have been, arguably, the

most well known elements of the picture, *sex, lies, and videotape* is also the film that effectively revealed to all aspiring filmmakers the existence of significant available institutional support. For this film, the support came in the form of the Sundance Institute (through the film's participation in the Institute's showcase the Sundance Film Festival) and the presence of a sizable industrial infrastructure (in this case, represented by Miramax Films), which could lead a film to unprecedented levels of profitability. Despite the existence of such support and infrastructure for more than a decade, it was only after the success of Soderbergh's film that names such as Sundance and Miramax entered public discourse.

The Sundance Institute was established in 1981 by star-director Robert Redford as a summer camp for a small number of new filmmakers in the mountains of Utah where industry professionals would teach them 'how to develop their [the filmmakers'] uneven screenplays into solid, workable properties.'[20] Although the Institute quickly attracted criticisms of attempting to refine alternative aesthetic proposals, it nevertheless became an important training ground for young filmmakers, especially those coming from an ethnic or any other minority background. Starting with just 10 projects in 1981, Sundance developed 325 film projects in its first 20 years, with approximately a third of them making it into production.[21] In 1985, the Sundance Institute took over the rights of the US Film Festival, a showcase for films that were made completely outside the American film industry, which had been experiencing severe financial difficulties. In 1990 the name of the festival changed to the Sundance Film Festival and became the primary exhibition forum for independently produced and financed films.

As the festival has grown in stature by the year (the number of film submissions increased from 60 in 1987 to 2000 in 2003),[22] it has attracted the attention of independent and major distributors which attend the screenings in the hope of locating the next breakthrough film. After the success of *sex, lies, and videotape*, which won the Audience Award in the 1989 Festival, Sundance has become the 'deal place',[23] the site where distributors decide which (few) independently produced films will receive theatrical distribution. Throughout the years Sundance launched the commercial career of a number of films (and of their respective makers), especially of those that won awards, prompting film critics to call the Sundance Film Festival the 'engine' that drives independent filmmaking with the specialty distributors providing the equally important

'proper marketing push'.[24] By the mid-1990s the Festival had become so successful that similarly named festivals (like Slamdance and Slumdance) running concurrently with Sundance in Park City were launched.

Not surprisingly, the wild success of the Festival overshadowed and, to an extent, overwhelmed the Institute, which had to renegotiate its position within the independent sector. From a new position of power, the Institute expanded to incorporate other channels for developing filmmaking talent such as Screenplay Reading Series in Los Angeles and New York and the Documentary Film Programme.[25] Furthermore, Sundance branched out in the entertainment business, providing further institutional support through the Sundance Channel, a commercial cable broadcaster that aspired to connect 'viewers with filmmakers, the creative process, and the world of independent film.'[26] Although the channel operates independently from the non-profit Institute and was established in 1996 with the active participation of the majors (Paramount and Universal), it nevertheless provides a forum on cable television for low-budget films and offers coverage of film festivals as well as discussions about the state of the independent sector. More importantly, for the purposes of this chapter, the Sundance Channel (along with the similarly styled Independent Film Channel) has adopted and presented independent film as an industrial category, a product with a distinct character and identity that is geared to a specific television audience.

Like Sundance, the Independent Feature Project (IFP) was an organisation established in 1979, 'on a belief that a truly vital American cinema must include the personal, idiosyncratic, and sometimes controversial voices of filmmakers working outside of the established studio system.'[27] From a small organisation that supported the work of non-commercial filmmakers, IFP has grown into a large national association that numbers 9,000 members with branches in several US cities.[28] Its main showcase is the International Film Project Market (formerly the International Feature Film Market) during which filmmaker-members can screen their work – complete or in progress – for distributors and/or investors. Furthermore, IFP is also part of an international network of organisations that foster the development of national cinemas, including the British Film Council, the Cannes Film Festival and Market, the Berlin International Film Festival and many others.[29] In this manner, the IFP is also able to channel its members' films to international markets where some American

independent films have enjoyed considerable success due to their aesthetic affinities with art-house films.

In addition, IFP/Los Angeles (by far the largest branch of the organisation) is the body behind the Los Angeles Film Festival, one of the most important festivals for independent filmmaking and a site of various workshops and seminars for existing and aspiring filmmakers. IFP/Los Angeles, which in 2005 changed its name to Film Independent (FIND), is also the organisation that sponsors and presents the Independent Spirit Awards. According to the organisation's guidelines, the awards celebrate 'uniqueness of vision', 'original provocative subject matter' and 'economy of means', even though the budget ceiling for such films has been increased recently to $20 million, a figure far removed even from the relatively expensive $1.2 million that *sex, lies, and videotape* (recipient of the award for Best Feature in 1990) cost.[30]

Like the Independent Feature Project, the Association of Independent Video and Filmmakers (AIVF) is another membership-based organisation (5,000 members by 2005) that since 1973 has striven to support independent film and video-making.[31] Until recently, AIVF administered various short grants provided by the US government through its National Endowment for the Arts. In 1996, however, the grants to individual filmmakers were discontinued while the NEA's support shifted towards contributing to the organisation's operating costs.[32] Like the IFP, which publishes monthly *The Filmmaker*, AIVF publishes its own monthly periodical, *The Independent: A Magazine for Video and Filmmakers*, while its in-house publishing activities extend to a number of books that advise filmmakers on all aspects of the business.

The increased public visibility of the Sundance Institute and Festival immediately raised the profile of all the above organisations and convinced filmmakers and the public alike that independent cinema had become a cultural phenomenon with a relatively small but extremely vocal support behind it. Equally importantly, Miramax's (still a small independent distributor in 1990) unprecedented success with *sex, lies, and videotape* whetted the appetite of other existing small distributors, which immediately started looking for the next low-budget film with breakthrough potential. These companies, however, had to face fierce competition from a number of small distributors which entered the theatrical market in 1990, the year following the release of *sex, lies, and videotape* (Greycat Films, Cabriolet Films, Triton Pictures, IRS Media, Rainbow

Releasing, and October Films, the best known of the group), hoping to repeat the business of Soderbergh's film with another picture.

As a result, independent film production entered a new, particularly active, period driven by the competition of specialised theatrical distributors, some of which were prepared to offer filmmakers lucrative deals to secure distribution rights for their films. For instance, a film like *Swingers* (Liman, 1996) that was produced for $250,000 was acquired by Miramax for $5 million while *The Spitfire Grill* (Zlotoff, 1996) was acquired by Castle Rock for a staggering $10 million.[33] Table 8.2 contains a list of independent distributors that were particularly active in the 1980s and 1990s. Some of them were established before the boom of the late 1980s and most of them went out of business after only a few years in the sector.

Although the presence of major independent and smaller distributors made access to theatrical exhibition a real possibility for hundreds of low-budget, independently produced and financed films, the sector has also been driven by the possibilities for financing from, and distribution in, the ancillary markets: video, cable, satellite television (since the late 1980s), European terrestrial television (in the mid-1990s) and DVD (in the 2000s). As each of these markets needed product on a regular basis (and as some of these market also competed against each other, companies like Live Entertainment and Vestron (video), HBO and Showtime (cable), BSkyB (satellite), Pro 7 and Channel 4 (Dutch and British television broadcasters respectively) and Netflix (a California-based DVD rental company) started (part-)financing films in exchange for distribution rights in one or more non-theatrical markets. HBO in particular became one of the main financers of a number of low-budget films, some of which, like *Mi vida loca* (Anders, 1993), received theatrical distribution and enjoyed critical and commercial success. Furthermore, and according to *Variety*, the recent staggering growth of film sales in DVD format has certainly raised the level of investment in film production, creating 'the first major paradigm shift since the home video boom of the '80s and a total revitalization of the opportunities for independent producers.'[34]

The existence of so many potential sources of production finance and the increased revenues from exploitation of film in non-theatrical markets meant that individual filmmakers were in a position to raise funds for their pictures by pre-selling distribution rights piece by piece. In this respect, they could produce their films with minimum interference and seek theatrical distribution only after completion of production, primarily

Table 8.2 Independent distributors, their lifespan and their key films

Company	Lifespan	Key film
First Run Features	1968 to date	*To Die For* (Van Sant, 1994)
Frameline	1973 to date	*Tongues Untied* (Riggs, 1990)
Atlantic Releasing Corporation	1976–1993	*Extremities* (Young, 1986)
The Samuel Goldwyn Company	1978–2001	*Wild at Heart* (Lynch, 1990)
Castle Hill Productions	1980 to date	*Someone to Love* (Jaglom, 1987)
Cinecom	1980–1990	*Matewan* (Sayles, 1987)
Horizon Films	1981–1988	*Variety* (Gordon,1983)
Island	1983–1988	*River's Edge* (Hunter, 1986)
Island/Alive	1983–1985	*Kiss of the Spider Woman* (Babenco, 1985)
Cinevista	1983–1993	*Liquid Sky* (Tsukerman, 1983)
Trimark Pictures	1983–2002	*The Doom Generation* (Araki, 1995)
Circle Films	1984–1991	*Beirut: The Last Home Movie* (Fox, 1987)
Angelika Films	1984–1994	*Sweet Lorraine* (Gomer, 1987)
Skouras Pictures	1985–1994	*Homer and Eddie* (Konchalovsky, 1989)
Roxie Releasing	1985–2001	*Red Rock West* (Dahl, 1992)
Cineplex-ODEON Films	1986–1998	*Serial Mom* (Waters, 1994)
Zeitgeist Films	1986 to date	*Poison* (Haynes, 1991)
Taurus Entertainment Company	1987 to date	*Class of 1999* (Lester, 1990)
Avenue Pictures Productions	1987–1991	*Drugstore Cowboy* (Van Sant, 1989)
Silverlight Pictures	1987–1989	*Life is Cheap . . . But Toilet Paper is Expensive* (Wang, 1989)
MCEG Productions	1988–1990	*The Chocolate War* (Gordon, 1988)
Aries Films	1989–1992	*Bad Lieutenant* (Ferrara, 1992)
Strand Releasing	1989 to date	*Totally Fucked Up* (Araki, 1993)
October Films	1990–2000	*Ruby in Paradise* (Nunez, 1993)
IRS Media	1990–1995	*Gas Food Lodging* (Anders, 1992)
Triton Pictures	1990–1993	*In the Soup* (Rockwell, 1992)
Cabriolet Films	1990–1993	*The Kill-Off* (Greenwald, 1989)
Greycat Films	1990–1996	*Henry: Portrait of a Serial Killer* (McNaughton, 1990)
First Look Pictures Releasing	1991 to date	*Gun Crazy* (Davis, 1992)
Arrow	1993–2000	*My Life's in Turnaround* (1994, Ward and Schaeffer)

Figure 8.1 *Mi vida loca*: The HBO-financed film featuring Mexican television star Salma Hayek was eventually released by Sony Picture Classics and proved a critical and financial success.

through participation in one of the key festivals for independent films (see the Case Study on p. 275).

Although the advantages of such an approach to film finance are obvious and throughout the years helped fund hundreds, perhaps thousands, of films, the pre-selling of ancillary rights presented also a considerable downside: it prevented distributors from paying high prices to obtain the theatrical rights in the US market (success in which often determines a film's performance in other markets) while in some cases discouraging distributors from bidding for these rights altogether. This was because the distributor would have to assume the considerable costs for prints and advertising on top of the funds already spent for the acquisition of theatrical rights, while also waiting for the parties who provided the budget for the film to recoup their investment first before receiving any theatrical rentals. Despite the above potential problem, however, film finance through the pre-selling of the ancillary rights of a picture became one of the very few avenues open to filmmakers who did not want to work with finance from the majors or the major independents.

INSTITUTIONAL FRAMEWORK (2): THE CLASSICS DIVISIONS

In the late 1970s, Krim, Benjamin and Pleskow, the top executive team at United Artists, started planning the formation of a new specialist division, which would handle a small number of art-films per year. By that time interest in art-house cinema had been minimum in the United States and key art-films of the decade such as Bergman's *Cries and Whispers* (1972), Fellini's *Amarcord* (1973) and Kurosawa's *Dersu Uzala* (1975) were released under the unlikely umbrella of Roger Corman's New World Pictures. The executives' exit from UA in 1978, however, put these plans on hold.

United Artists Classics was finally formed in 1979 under a different regime with the specific mission of acquiring the US distribution rights of art-films. In the five years of the company's lifespan, it distributed films by such art-cinema stalwarts as Jean-Luc Godard (*Passion*, 1983), Rainer Werner Fassbinder (*Lili Marleen*, 1981; *Lola* 1981; *Die Sehnsucht der Veronika Voss* [*Veronika Voss*], 1982) and Andrzej Wajda (*Czlowiek z selaza* [*Man of Iron*], 1981). However, it was the success of Truffaut's *Le Dernier Métro* (*The Last Metro* [rentals of $1.9 million and pay-TV rights of $450,000]) in 1980 and especially Beineix's *Diva* (in excess of $2 million rentals from theatrical distribution) in 1981 that demonstrated to the majors that such specialty subsidiaries had a promising future in the 1980s film market.[35]

Even though the main reason behind the formation of the classics division was the exploitation of the names of famous European auteurs, the company also tried to capitalise on the stir created by the first new American independent films of the late 1970s. Starting with Brian De Palma's anti-commercial *Home Movies* (1980), UA Classics also distributed films such as *Ticket to Heaven* (Thomas, 1981); *Cutter's Way* (Passer, 1981); *Head over Heels* (Micklin Silver, 1982); John Sayles's follow-up to *Return of the Secaucus Seven*, *Lianna* (1983); and Robert Altman's *Streamers* (1984). In a five-year period the company distributed thirty-four features and demonstrated that it could become a serious player in the art-house cinema field as well as in the emerging American independent film market.

In April 1983, however, and in a move that mirrored the exit of the five United Artists executives in 1978, the top management team of United Artists Classics also resigned from the company. Tom Bernard, Martin Barker and Donna Gigliotti joined immediately Orion and assumed the

management of its new division, Orion Classics. Between 1983 and 1992, when the parent company collapsed, Orion Classics became the undisputed leader in the art-film market, while it also distributed a relatively small number of US films, including *Strangers Kiss* (M. Chapman, 1983) and *Slacker* (Linklater, 1991).

The third, and last, company from the first wave of classics divisions,[36] 20th Century-Fox International Classics, was the shortest-lived of the three, distributing only eight films in 1982–3, despite the fact that it co-distributed the commercially successful *Eating Raoul* (1982; $4.7 million US gross).[37] Like the art-film market of the 1960s, the classics market of the 1980s was not sizable enough to sustain a large number of specialty distributors. As a matter of fact, the market was so tiny that even Orion Classics, which was consistently successful throughout its lifespan, recorded annual profits in the region of $650,000–700,000, figures that were considered crumbs for a major company in the 1980s.[38]

The level of independence of those divisions from their parent companies was different from division to division. Orion Classics, for instance, operated as an autonomous unit from Orion Pictures and was not affiliated with Orion's domestic sales operations.[39] Having built a relationship with the three heads of the classics division from their years at United Artists, Orion's management stood clear from interfering with their decisions and distribution practices and allowed them the freedom to create a subsidiary with a distinct identity. When Orion collapsed in 1992, Bernard, Barker and Marcie Bloom (who took over Gigliotti's position in the company when the latter left in 1984) moved to Sony and took charge of Sony Pictures Classics (SPC). Since then the company has become the key distributor of art-house films in the US theatrical market while also distributing a number of famous American independent films such as *Amateur* (1995) by Hal Hartley, *Lone Star* (1996) by John Sayles, *Welcome to the Dollhouse* (1996) by Todd Solondz and *The Spanish Prisoner* (1998) by David Mamet.

In many respects, Sony Pictures Classics and Fine Line Features (which was formed approximately at the same time with SPC) became the last of the original classics divisions, small distribution companies that specialised in the acquisition and marketing of completed US and non-US films for distribution in the American market. This was because in the mid-1990s, the majors moved into the establishment of a new breed of classics divisions, which financed as well as distributed relatively

low-budget films. These new classics tried clearly to emulate the phenomenal success of Miramax, which with the financial support of Disney behind it had become so influential in the film market that, according to industry analysts, it 'changed the industry's DNA'.[40]

Fox Searchlight was established in 1994 'as the independent arm of Twentieth Century Fox . . . a filmmaker-oriented company, creating distinctive films helmed by world-class auteurs and exciting newcomers.'[41] Paramount Classics was set up in 1998 to 'seek low-cost pics that can generate enough biz on the arthouse circuit to stay in the black', though in recent years it has focused on films that are 'riskier, more creative and aimed at a younger demo.'[42] As Sony Pictures Classics specialised in acquisitions, Sony formed a second classics label in 1999, Screen Gems, which would produce as well as distribute low-budget American films for niche audiences in a similar way to Fox Searchlight. Focus Features was established in 2002 as Universal's specialty division after a long history of corporate amalgamation. This involved the merger of October Films with Gramercy and USA Home Entertainment and the renaming of the new organisation as USA Films, before Universal acquired it, re-labelled it as Focus Features, and merged it with independent producer and occasional distributor Good Machine in 2002. A year later AOL Time Warner set up Warner Independent Pictures with the intention of attracting pictures that 'are adventurous, intimate, personal, taboo-breaking and experimental, and artists who explore the unexamined with courage and insight, and in ways that shed new light to the human condition.'[43]

The most recent classics division (established in May 2005) has been Picturehouse, a joint venture between New Line Cinema and HBO, which 'plans to release 8–10 pictures a year' from 'a wide-ranging community of independent filmmakers' and with projects primarily originating from HBO Films, New Line productions, projects jointly funded by HBO and New Line, and acquisitions.[44] The establishment of Picturehouse seems to have signalled the end of Fine Line Features, which has no plans to distribute any film after 2005. Finally, coming in full circle, United Artists – relabelled as United Artists Films – became a classics division for MGM, 'crafting a compelling film slate that reflects its proud heritage of nurturing creativity and autonomy' and 'focusing on producing and acquiring eight pics a year, with budgets of less than $20 million.'[45] In April 2005, a consortium of entertainment conglomerates headed by Sony took over MGM and all its assets for $5 billion. Since then, United Artists Films has

become the third classics division of Sony Pictures.[46] Table 8.3 contains a list of the classics divisions since 1980.[47]

If one compares the films distributed (and recently financed) by the classics divisions in Table 8.3 with the films distributed by the independent companies in Table 8.2, one would find it extremely difficult to argue that the films in Table 8.3 are different from or 'less independent' than those in Table 8.2 because they were financed and/or distributed by a major's subsidiary. A case in point here is Gregg Araki, one of the key filmmakers of the post-1989 independent movement.

Araki rose to fame with a trilogy of films he wrote and directed, *Totally Fucked Up* (1993), *The Doom Generation* (1995) and *Nowhere* (1997), which are often referred to as '90210 on acid', because as Araki himself put it in an interview (speaking specifically for *Nowhere*): 'it is going to be my version of *Beverly Hills 90210* . . . beautiful fucked-up kids who talk about being bored, alienated, sexually ambiguous, they take drugs; it's the flipside of the mainstream.'[48] Does the fact that *Nowhere* was released by Fine

Table 8.3 Classics divisions (1980 to date)

Classics division	**Lifespan**	**Key American films**
United Artists Classics	1980–1984	*Lianna* (Sayles, 1983)
20th Century-Fox International Classics	1982–1983	*Eating Raoul* (Bartel, 1982) co-distributed with Quartet
Universal Classics	1982–1983	No American film distributed
Orion Classics	1983–1997	*Slacker* (Linklater, 1991)
New classics divisions	**Lifespan**	**Key American films**
Fine Line Features	1992–2005	*Short Cuts* (Altman, 1993)
Sony Pictures Classics	1992 to date	*Safe* (Haynes, 1995)
Fox Searchlight	1994 to date	*Boys Don't Cry* (Peirce, 1999)
Paramount Classics	1998 to date	*You Can Count on Me* (Lonergan, 2000)
Screen Gems	1999 to date	*Adaptation* (Jonze, 2002)
United Artists Films	1999 to date	*Coffee and Cigarettes* (Jarmusch, 2004)
Focus Features	2002 to date	*Lost in Translation* (S. Coppola, 2003)
Warner Independent Pictures	2003 to date	*Good Night, and Good Luck* (Clooney, 2005)
Picturehouse	2005 to date	*Factotum* (Hamer, 2005)

Line Features, a classics division of a major independent, make it 'less independent' than *The Doom Generation*, a film that was released by the independent distributor Trimark Pictures (before its takeover by the larger independent Lions Gate)? Or are they both 'less independent' than *Totally Fucked Up*, which was distributed by Strand Releasing, a company largely outside the mainstream which specialises in distributing films with gay and lesbian interest?

Perhaps one could argue that Araki 'moved up' with each successful film he made, eventually attracting the attention of a classics division with *Nowhere* and perhaps of an even larger distributor with his next films. But if this is the case, as some critics have argued – that independent companies are training grounds for talent before the majors enter and 'steal' them for their own pictures – the fact that Araki went back to independent distributors for his next two – and most recent – films, *Splendor* (1999; The Samuel Goldwyn Company) and *Mysterious Skin* (2004, Tartan USA) seems to refute this argument.[49]

However, there is one particularly significant difference between the classics divisions and the independent distributors: almost all classics have branched out into film finance and production compared to the independents of the late 1980s/early 1990s which were mainly distributors. As Tom Bernard of Sony Pictures Classics, one classics division that has remained mainly a distribution company, has remarked about the new breed of classics divisions:

> These companies have all turned into another label in the system that feeds the foreign and TV deals and makes a cheaper level of pictures. They become mirror images of what the studio does. Art movie companies have fallen by the wayside.[50]

Indeed, companies such as Fox Searchlight can greenlight without permission from the parent company films with budgets up to $15 million.[51] Focus Features has a budget ceiling of $30 million, though it must obtain Universal's permission for every project it decides to finance.[52] When a company invests figures like these in individual pictures, however, it certainly expects a corresponding payoff. This means that the films take increasingly fewer risks with the material they present (and the manner in which they present it). As a *Variety* editorial put it succinctly, 'most specialty divisions that have a media conglom to pay the bills now also have

a mandate to make mainstream movies that make money.'[53] This explains why Fox Searchlight has recently embraced 'genre films', Paramount Classics has remained conservative in its choices,[54] and Focus Features has created a sister label, Rogue Pictures, that is in the business of producing and distributing much more conservative fare (in the same way Dimension Films is the genre label of Miramax Films).

The classics' branching out into low-mid-budget film production has created also another important difference between them and the independents, namely the different release strategies each type of distributor has adopted. Instead of following the 'grassroots marketing' approach which entails the city-by-city, market-by-market platform release pattern, the classics divisions (and some of the larger independents like Lions Gate) have used saturation releases and other marketing techniques associated with mainstream cinema. For instance, when Fox Searchlight understood that its film *Antwone Fisher* (D. Washington, 2002) had a potential for substantial commercial success, after a two-week limited release with impressive financial results, it relied on the parent company to supply the extra advertising costs necessary to open the film widely (over 1,000 playdates). Equally, for the genre picture *The Banger Sisters* (Dolman, 2002), 20th Century-Fox assisted its subsidiary in opening the film in a massive 2,738 screens. Tom Rothman, 20th Century-Fox co-chairman, summarised the benefits of being this type of classics division in contemporary American cinema:

> It's not just the ability to take pictures wide, like *Antwone Fisher* and *The Banger Sisters*. It's also that there is a globally integrated campaign for movies. We're the only specialty company that doesn't have to go begging territory by territory . . . [Fox Searchlight] has the best of both worlds. That is, the risk-taking and flexibility of a specialty label and the power, leverage and scope of a major studio.[55]

The mix of practices associated with the majors with elements associated with independent filmmaking (low/mid budgets, risqué content) has created a hybrid form of cinema (sometimes referred to as 'indiewood') that has laid also strong claim to the label independent. One of the repercussions of this development is that an increasing number of films that have been deemed as 'independent' have originated within the classics divisions of the major studios, while at the same time these companies have decreased the number of pictures they acquire from independent

filmmakers.[56] With classics divisions achieving recently impressive financial results, this tendency seems to be the order of things for the foreseeable future.[57]

Regardless of their corporate association with the conglomerated majors, the classics divisions have been instrumental in the creation of the available infrastructure for independent filmmaking. This is because they provided a solid platform for the finance, production and/or distribution of a particular brand of filmmaking, certain characteristics of which will be discussed in the last section of this chapter. With some of these divisions (Focus Features, Fine Line Features) originating in the independent sector before they were taken over by the majors, and with corporate mergers and takeovers changing the independent cinema landscape on a regular basis, it is not surprising that both the classics and the independents have been considered the main advocates of American independent cinema, opposite sides of the same coin.

THE AESTHETICS FACTOR

As the industrial background of a film has become gradually an irrelevant factor in its claim to independence, questions of aesthetics have assumed an increasingly prominent position in the discourse of contemporary American independent cinema. Film historians have argued that an inclusive definition of the post-1980 independent cinema must consider not only 'the position of individual films or filmmakers in terms of industrial location' but also 'the kinds of formal/aesthetic strategies they adopt', not to mention 'their relationship to the broader social, cultural, political or ideological landscape.'[58] As a matter of fact, even industry practitioners, like the co-founders of Phoenix Pictures, have been accustomed to phrases such as 'independent production style' and distinguish between films that are 'economically independent and artistically independent.'[59] As film critic Emmanuel Levy has observed:

> Two different conceptions of independent film can be found. One is based on the way indies are financed, the other focuses on their spirit or vision. According to the first view, any film financed outside Hollywood is independent. But the second suggests that it is the fresh perspective, innovative spirit and personal vision that are the determining factor.[60]

The emphasis on the personal vision and spirit that the second view prizes makes any effort to examine independent cinema as a form of filmmaking that is characterised by a unified aesthetic impossible. Unlike mainstream Hollywood cinema, which, for a number of film scholars and critics, has been exemplified historically by the relatively unified classical aesthetic, contemporary independent cinema defies such labels. According to Levy, this is one of the reasons why the term independent has survived as it is a 'sufficiently flexible term to embrace a variety of artistic expressions. Neither ideologically, nor stylistically unified,' Levy continues, 'indies have elevated eclectic aestheticism into a principle.'[61]

The available paradigms that independents could choose from were many. In his examination of contemporary American independent cinema Geoff King has mentioned several: 'the experimental "avant-garde", the more accessible "art" or "quality" cinema, the politically engaged, the low-budget exploitation film', and any other mode of filmmaking that differs from Hollywood cinema. On the other hand, though, very rarely has an independent film eschewed completely the narrative form, the very foundation upon which American cinema was built since the first decade of the twentieth century. This is mainly because the overwhelming majority of such films were made for the purpose of commercial exploitation, which means that they had no option but to – at least – adhere to the basic rules of narrative representation in order to secure exhibition in the screens of multiplex theatres and not be limited to exhibition in the few venues that screen non-commercial films. As a result, independent cinema could be seen as a hybrid form of filmmaking that mixes a number of elements associated with Hollywood filmmaking (especially its grounding in narrative) with a vast number of elements from alternative formal systems.

This characteristic of contemporary American independent cinema suggests a degree of kinship with the Hollywood Renaissance films of the late 1960s/early 1970s, the majority of which were produced independently but distributed by the majors. Peter Biskind has suggested that the 'independents' of the post-1980 period are part of the rich legacy left by the New Hollywood, 'a loose collection of spiritual and aesthetic heirs' to filmmakers like Dennis Hopper, Warren Beatty, Robert Altman, Peter Bogdanovich, Martin Scorsese and many others.[62] If that generation of filmmakers was influenced mostly by European art-cinema and tried to expand the language of American cinema, contemporary independents,

one could argue, have continued this project *ad infinitum*. They have borrowed elements from many more formal paradigms, tackled previously un- or under-explored subjects (especially issues related to minorities) and often offered challenging films at a time when mainstream cinema's emphasis on event films, franchises and remakes has reached unprecedented levels. Arguably the most characteristic example of the ways contemporary independent cinema has moved stylistic, narrative, thematic and cultural boundaries in recent years is what has come to be known as New Queer Cinema.

Although the commercial independent cinema of the 1980s had provided the platform for the release of a small number of films that dealt with representations of gays and lesbians (*Lianna* [Sayles, 1983]; *Desert Hearts* [Deitch, 1986]; *Parting Glances* [Sherwood, 1986]; *Longtime Companion* [Rene, 1990]), in the early 1990s there was an explosion of independently produced films that offered such representations. *My Own Private Idaho* (Van Sant, 1991); *Poison* (Haynes, 1991); *Paris is Burning* (Livingstone, 1991); *Young Souls Rebels* (Julien, 1991); *The Hours and Times* (Munch, 1991); *RSVP* (Lynd, 1991); *Swoon* (Kalin, 1992); *The Living End* (Gregg Araki, 1992); and *Zero Patience* (Greyson, 1992) all sprang from a vibrant independent film festival scene (with the Toronto and Sundance Film Festivals at the forefront). The release of all these films within the 1991–2 period led film critics to approach them as a distinct body of work within the context of contemporary American independent cinema to which B. Ruby Rich attached the label 'New Queer Cinema'.[63] As Julianne Pidduck has argued, the critics' 'reappropriation of the epithet "queer" [was] a conscious political strategy that rhymes with an aesthetic that celebrates the "abject," the criminal, the underworld of queer desire.'[64]

Indeed, compared to their 1980s predecessors, which featured gay and lesbian characters who tried to 'fit in' within the structures of a heterosexual universe (*Parting Glances*) and who had to deal with the 'problems' that their alternative sexuality entailed (*Lianna*) within straightforward narratives, the new films were remarkably different. First, many celebrated 'homosexuality' as a deviant practice in an attempt to shock mainstream audiences and 'challenge more forcefully [their] preconceived notions about gay culture and society.'[65] Not surprisingly, such an approach rendered some of the films (like *Poison* and *The Living End*) instantly controversial and provided them with notoriety that has increased their cachet as truly representative texts of a particular culture. Second, and as

an extension of the above, this group of films has put forward a political agenda. Although this agenda, which revolves mainly around the problem of homophobia and of the lack of equal rights for the gay community, existed a long time before the appearance of these films, in the 1990s it was reshaped by the sweeping influence of the AIDS pandemic. As a result these films were characterised by a directness of subject that certainly reflects the changes effected by AIDS.[66]

Third, all films were exemplified by a diversity of narrative and style, which, according to Jose Arroyo, was a product of the films' struggle 'to represent a new context against the legacies of both dominant cinema and a previous history of gay representation.'[67] From the *cinéma-vérité* style of *The Times and the Hours*, to the different visual styles Haynes employs for each of the three segments of *Poison*, to the black and white still photography style of *Swoon*, to the mock *Beverly Hills 90210* aesthetic of Araki's films (especially *The Doom Generation* and *Nowhere*), the films of New Queer Cinema invented a language of their own (often referred to as 'homo pomo') that made them representative texts of an emerging queer identity.[68] Equally the emphasis of many of these films' narratives on 'desire, death and criminality' differentiates them from the films of the 1980s and 'illustrates a historical refusal of positive image strategies by new queer film-makers.'[69]

The New Queer Cinema is not the only example of a group of films within the independent sector that pushed a number of boundaries and provided a voice for a cultural minority group. At approximately the same time, there was another group of films that this time re-invented black cinema. In 1991 alone, fifteen films by black filmmakers (not all independently financed and/or distributed) found their way to the theatres, a number that was higher than the number of such films released in the 1970s and 1980s together.[70] Led by independently financed *Straight Out of Brooklyn* (M. Rich) and *Hangin' with the Homeboys* (Vasquez) and the studio-produced and -distributed *Boyz N the Hood* (Singleton) and *New Jack City* (Mario Van Peebles), black cinema broke into the mainstream and quickly established itself as a category of filmmaking with its own codes and conventions.

These two categories of American cinema illustrate perfectly the important role aesthetics has played in co-defining contemporary American independent cinema, especially in the 1990s. While all the films associated with the New Queer Cinema were produced, financed and

released by independent companies, many of the new black films were produced, financed and/or distributed by the majors or major independents (besides *Boyz N the Hood* and *New Jack City* which were distributed by Columbia and Warner respectively, one should also add *Jungle Fever* [Spike Lee; distributed by Universal] and *A Rage in Harlem* [Duke; distributed by Miramax]).

Despite their different locations of production, however, in terms of formal and stylistic choices, content, ideological disposition and cultural viewpoint the Columbia financed and distributed *Boyz N the Hood* is much closer to the independently produced and distributed *Hangin' with the Homeboys* than to any of the other films Columbia (or Columbia/Tristar) financed and/or released in 1991, which include such mainstream productions as: *Bugsy* (Beatty), *The Doors* (Stone), *Hook* (Spielberg), *The Hudson Hawk* (Amiel), *Mortal Thoughts* (Rudolph), *My Girl* (Zieff), *Prince of Tides* (Streisand) and *Terminator 2: Judgement Day* (Cameron). Even though this means that the label 'independent' becomes virtually meaningless, it nevertheless prescribes a particular type of film regardless of its production/finance/distribution background. As James Schamus, producer of a large number of independent films and one of the most vocal advocates of the low-budget independent cinema in the 1990s, remarked, independent films can now be 'found both within the studio system, within the mini-majors and major independents, as well as "outside" the system.'[71]

CONCLUSION

After decades in the margins of the industry and despite the continuing problems of definition, American independent cinema has finally established itself as a relatively distinct category of filmmaking both in the global entertainment industry and in public discourse. As a matter of fact, it has become such an integral part of the larger Hollywood cinema that in the IFP/West Independent Cinema Awards of 1999, James Schamus suggested the disbandment of the IFP. As the organisation was formed to support 'personal, idiosyncratic, and sometimes controversial voices of filmmakers working outside of the established studio system', by the end of the 1990s, Schamus argued, it certainly had 'won its battles'.[72]

The institutionalisation of American independent cinema has succeeded in making a particular brand of filmmaking marketable at

Figure 8.2 Hardly 'clerking'. Inexperienced actors Brian O'Halloran and Jeff Anderson, who played the two main leads in *Clerks*, contributed substantially to the fresh feel of Kevin Smith's film.

a global level and in effect helped a very large number of personal, idiosyncratic and offbeat films receive theatrical distribution and often find an audience. Despite arguments that see the terms independent and institution as mutually exclusive, the emergence of an institutional framework laid the foundations for a staggering increase in the number of new filmmakers from all kinds of backgrounds in the United States. As a result commercial cinema went often to areas that had been previously uncharted and American film has come closer and closer to being 'a democratic art.'

Case Study: The definitive independent film
sex, lies, and videotape and the New American Independent Cinema (Steven Soderbergh, 1989, 100 min.), produced by Outlaw Productions, distributed by Miramax Films.

'No movie in the sound era has had a greater importance on indie cinema . . . than *sex, Lies, and Videotape*' (Merritt, 2000, p. 312); 'It's hard to think of a more influential indie than Soderbergh's first feature, *sex, lies, and videotape* . . . The film forever changed the public perception of independent movies' (Levy, 1999, p. 94); it [*sex, lies, and videotape*] 'was the paradigmatic independent film' (Biskind, 2005, p. 40); '*sex, lies, and videotape* . . . remains a milestone in development of the indie sector as we know it today' (King, 2005, p. 261).

Although American independent cinema has had a number of landmark films since the breakthrough success of *sex, lies, and videotape* (*slav*) in 1989 (*The Blair Witch Project* [1999] and *My Big Fat Greek Wedding* [2002] which scored $140.5 million and $241.4 million at the US box office alone, represent unequivocal commercial triumphs for independent cinema), Soderbergh's film is still casting its shadow on the independent sector, despite changes in the industry, the majors' entry and the overwhelming institutionalisation of this type of cinema. This is, arguably, because the film's production background, its rise to the public eye, its marketing and distribution history, its subject matter, several of its narrative and formal dimensions and its wide critical and financial success created an ideal for American independent film, against which future individual films would be judged for most of the 1990s. As *slav* hit all the right notes and was seen by audiences as large as those associated with major films, it succeeded in opening up the gates for the emergence of more low-budget films with similar production/distribution histories, offbeat subject matter, challenging narrative and visual style, and so on.

Prior to *sex, lies, and videotape*, Steven Soderbergh had little filmmaking experience. After taking filmmaking classes as a teenager and making a small number of short films between 1977 and 1979, Soderbergh moved from Louisiana to California to break into the industry. For the following eight years he wrote a number of scripts, none of which attracted any interest from a production company, while also making a few more short films and working in a number

of film-related jobs. He eventually made a documentary for the rock band Yes, *Yes 9012* (1986), which was nominated for a Grammy Award in the Best Video (Long Form) category. In 1988 Outlaw Productions, a recently established independent production company, optioned one of Soderbergh's screenplays, *Dead from the Neck Up*. Soderbergh who, by that time had returned to Louisiana, decided to drive back to California to develop the script and write the screenplay for another film Outlaw was developing, *Revolver*. On the way to Los Angeles, he drafted a third script which became the basis for *sex, lies, and videotape*.

On the basis of the script's strength, Outlaw arranged financing from RCA/Columbia Home Video, which put up $600,000 in exchange for US home video rights, and Virgin, which put up the rest of the $1.2 million dollars in exchange for all rights outside the United States and Canada (Wiese, 1992, p. 143). With the budget secure, Soderbergh shot the film with a group of relatively well known actors (James Spader, Andy McDowell, Peter Gallagher), newcomer Laura San Giacomo and a small production team at his home town of Baton Rouge, Louisiana. The film, which largely revolves around a series of verbal exchanges between four main characters in interior locations, was shot in five weeks within the allocated budget. Soderbergh also assumed editing duties and had the final cut of the film ready for its premiere at the US Film Festival.

Although the film lost the Grand Jury Prize award to *True Love* (Savoca), it won the Audience Award for Best Feature. It attracted the interest of a number of distributors, including some of the majors, which nevertheless balked at the news that home video rights had been pre-sold (Wiese, 1992, p. 144). At that point US theatrical, pay-TV and syndication rights where the only ones left, which made the possibility of a theatrical distribution deal very difficult. However, Miramax agreed to purchase all remaining rights for $1 million, while also investing an extra $1 million in print and advertising costs.

To start the film's marketing campaign Miramax took *sex, lies, and videotape* to the Cannes Film Festival of 1989. Although there had been one precedent when an independent filmmaker had won one of the festival's awards in the past (Jim Jarmusch had won the Golden Camera for *Stranger than Paradise* in 1984), it was extremely rare for an independent film to be accepted in the competition programme.

Surprisingly, *sex, lies, and videotape* won the *Palme d'or* and started a trend whereby three more American independent films won it in the following five years, *Wild at Heart* (Lynch, 1990), *Barton Fink* (Joel and Ethan Coen, 1991) and *Pulp Fiction* (Tarantino, 1994). The film became one of the most anticipated films of the year and Miramax carefully designed a marketing strategy before the film's official release in New York and Los Angeles in August 1989.

Miramax's strategy focused primarily on the 'sex' element of the title, pitching the film as an adult comedy about sex. With the poster featuring two couples (one hugging and one about to kiss), Miramax also exploited the (small) star power of the film, especially James Spader who was relatively well known through a series of roles in teenage comedies and dramas in the mid-1980s. The poster also highlighted the film's victory at Cannes, while also featuring recommendations from arguably the three most well known reviewers in the United States, Vincent Canby (*New York Times*), Roger Ebert (*Chicago-Sun Times*) and Richard Corliss (*Time Magazine*). The distributor opened the film at the end of the summer period in only four theatres (in New York and Los Angeles) to build word-of-mouth further. The results justified Miramax's decision. The film scored $46,220 per theatre and eventually reached a record (for an art-film) of 536 screens and took approximately $25 million at the US box office (the figures are taken from http://www.boxofficeguru.com/s.htm).

If the majority of the audience went to the cinema expecting a provocative film about sex or, more precisely, about scopophilia, the film offered just that but on a different level. Without a single shot of nudity, the film explores four people's attitudes to sex (and love) as they elaborate these in a series of encounters among them. Graham's arrival to Baton Rouge to spend a weekend with his old college friend, John, and his frigid wife, Ann, becomes a catalyst for all parties involved (the above three and Ann's sister, Cynthia, who's been having an affair with John) to reconsider their views on sex and their relationships to each other, and embrace the possibility of a happier future.

Although both the film's style and narrative structure are relatively conservative (the insertion of video images as flashbacks does not distract from a story the narration of which follows the rules of continuity editing) and therefore locate the film much closer to mainstream Hollywood than to the other alternatives open to independent film-

making, the picture stands out in terms of offering a mature and intelligent treatment of sex in contemporary society. Its emphasis on the discourse of sex rather than on the depiction of the act allows the film to place important questions about sex and love under the microscope. As a dialogue-driven film in which not a lot happens, *sex, lies, and videotape* would never have been made as a large-budget, studio-produced film, especially as the 1980s saw mainstream American cinema shifting towards high-concept films and politically charged action adventure pictures.

The film's spectacular financial success signalled the existence of a sizable market for films that differed from the Hollywood standard fare. In this respect, it did change the landscape of commercial independent cinema, especially as in the following years such films started coming from Hollywood as well as from outside it.

Case Study: 'I wanted to be an independent filmmaker. I wanted to work at Miramax.'
Kevin Smith's *Clerks* (Smith, 1994, 92 min.), produced by View Askew Productions, distributed by Miramax Films.

When Miramax was bought out by Disney in May 1993, industry observers and film critics did not know whether the company would be allowed to continue the distribution policies that had made it so successful in the independent market (become Disney's 'classics division') or whether the conservative major would impose on it its own business practices. The release of films like *Pulp Fiction* (Tarantino) and *Clerks* reassured fans of independent cinema that Miramax would continue to operate with the necessary autonomy and release films that its parent company would never be associated with. Although *Pulp Fiction* became the most successful film in Miramax's history till that time, 1994 was also the year of *Clerks*, a $27,000 production, financed by the filmmakers themselves (director Kevin Smith and producer Scott Mosier) and made into a success by Miramax's distribution machine. If *Pulp Fiction* represented glossy independent cinema backed by a large (for low-budget standards) negative costs (approximately $8 million), *Clerks* stood at the exact opposite end of the independent spectrum. It

was made for next to nothing, featured no stars and looked like an amateur production.

The film was financed from a number of sources outside the industry. Having read that Robert Townsend financed *Hollywood Shuffle* (another key independent film of the early 1990s) through credit cards, Smith applied for a number of credit cards, the total limit of which provided him with half the budget. He raised the rest of the necessary funds by selling his comic-book collection, by using part of his college tuition fees (returned to him after dropping out of film school), from his wages from working at a convenience store (the Quick Stop cafe where the film was shot) and by deferring salaries and fees for every participant in the film.

After succeeding in raising approximately $25,000, Smith made a number of budget-specific decisions that determined the film's amateur aesthetic: he photographed the film in black and white stock (as lighting when filming in colour is more expensive); he used one 16mm camera for all the shots in the film; he used a number of long takes and master shots with very little camera movement (as this was the cheapest type of shot he could use); he hired inexperienced actors who contributed to the fresh feel of the film; he used the shop he was working at as the film's location, filming through the night; and he edited the film himself (with the help of Scott Mosier). The result was a personal film that, despite lacking fluidity of style, was characterised by the energy and freshness of its young makers.

Smith submitted the film to the Independent Feature Film Market (IFFM), one of the major showcases for work by independent filmmakers. Although the film's screening did not attract the interest of any distributor, it nevertheless attracted the attention of a member of the Sundance Advisory Committee, who invited Smith to compete at the Sundance Film Festival in January 1994. The film won one of the main awards, the Filmmaker's Trophy, and was bought by Miramax during the run of the festival for $227,000. Almost half of this money went to blow up the film to 35mm so that it was suitable for commercial exhibition, while $40,000 went to repay the balance of the credit cards and the interest. The rest (approximately $80,000) went to the production team. By that time Miramax's reputation as the patron saint of independent filmmakers had been thoroughly established, to the extent that for Smith there was no other distributor (as the heading of this Case Study indicates [quoted in Biskind, 2005, p. 164]). Buying *Clerks*,

however, was important for Miramax too as it sent a clear message to other independent distributors that, despite its new corporate parent, it would continue to select risqué or controversial films (Biskind, 2005, p. 164). *Clerks* was characterised by extremely strong language with constant references to sexual practice. The film received an NC-17 certificate, which is considered poison for the box office career of any film in the US market. Miramax responded by hiring the famous (for his participation in the OJ Simpson case) attorney Alan Dershowitz who managed to convince MPAA to change the rating to an R.

The film's ultra-low budget was exploited in the distribution and marketing of the film, in which Miramax invested substantial funds. As the film passed the $1 million mark in terms of gross, it was advertised as one of the most successful films in the history of cinema (in terms of budget–gross ratio). Its success was also assisted by Miramax's decision to place a trailer for the film in 800 prints of *Pulp Fiction*, targeting a particular youth demographic that was not expected to respond negatively to Smith's use of strong language or the quirky humour of the film's universe. *Clerks* grossed approximately $3 million and established Smith as one of the strongest voices in the independent sector. In the following years the film achieved cult status and has made handsome profits in the ancillary markets. Besides making the film available in various formats and versions, Smith and his collaborators have created numerous *Clerks*-related tie ins, which by 2003 included: autographed theatrical posters, a *Clerks* cartoon (shown originally on television and then made available on VHS and DVD), *Clerks* comic books, *Clerks* T-shirts, *Clerks* 16mm celluloid frames, *Clerks* bumper stickers, and *Clerks* soundtrack, autographed by Smith. In 2004, View Askew, Smith and Mosier's production company, and Miramax distributed the Tenth Anniversary DVD, while in 2006 the film's sequel, *The Passion of the Clerks*, will be distributed theatrically.

Since 1994, Smith has made all his other films (with the exception of *Mallrats* [1996, Universal]) at Miramax and, along with Quentin Tarantino, he has been associated heavily with the company. A large section of the plot from his 2001 film *Jay and Silent Bob Strike Back* takes place at Miramax's studios, while the film's dialogue contains numerous references to the company and inside jokes. He has also spoken publicly about his relationship with the company to the extent that Peter Biskind has called him a 'Miramaxologist' (2005, p. 431).

Notes

1. According to Hillier, a 'neo-indie' is different to a mini-major in that the former establishes close ties with the majors, while the latter – as seen in the previous chapter – 'operates outside the orbit of the majors' (1994, p. 21).
2. DiOrio, Carl, 'Indies Form Powerhouse' in *Variety*, 3 November 2003, p. 16.
3. Levy, 1999, p. 505.
4. King, 2005, pp. 9–10.
5. King, 2005, p. 2.
6. The figures are taken from Biskind, 2005, p. 82.
7. By 1998 the average negative cost for a film had reached $58 million with blockbuster films costing two or three times that figure. See http:// www.filmsite.org/90sintro.html.
8. Gooridge, Mike, 'The New Hollywood Way: A Business of Co-dependents', in *Screen International*, no 1330, 26 October 2001, p. 1.
9. The data is taken from 'Fact on Pacts', in *Variety*, 15 November 2004, p. 71.
10. Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
11. Medavoy, 2002, p. 299–300.
12. Medavoy, 2002, p. 296.
13. Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
14. Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
15. Medavoy, 2002, p. 344.
16. Harris, Dana, 'Studio Dealmakers Still Stingy: Production Pacts Scarce but Warners, Columbia Revving up', in *Variety*, 11 November 2002, pp. 8–9.
17. Kay, Jeremy, 'Revolution: Master of Independents', in *Screen International*, no 1367, 9 August 2002.
18. *Screen International*, 26 October 2001, pp. 1 and 4.
19. Holmlund, 2005, p. 6; Levy, 1999, p. 94; Biskind, 2005, p. 40; Pierson, 1995, p. 2; King, 2005, p. 261; Merritt, 2000, p. 312.
20. Peary, 1981, p. 47.
21. The figures are taken from Goodridge, Mike, 'Developing World', in *Screen International*, no 1318, 27 July 2001, pp. 17–18.
22. Merritt, 2000, p. 354; Brown, Colin, 'Shoestring Films Get Knotted', in *Screen International*, no 1384, 6 December 2002, p. 10.
23. Levy, 1999, p. 40.
24. Merritt, 2000, p. 355.
25. *Screen International*, no 1318, 27 July 2001, pp. 17–18.
26. See http://www.sundancechannel.com/feedback/.
27. See http://www.ifp.org/nav/about.php.
28. The number of members cited is as of 21 November 2005. See http://www.ifp.org/nav/about.php.
29. For a complete list of IFP's associates internationally see http://www.ifp.org/nav/about.php.

30. For details about how FIND shortlists and selects nominees for an Independent Spirit Award, see http://www.filmindependent.org/pdf/Spirit_Awards_Rules.pdf.
31. For more information about the history of the organisation see http://www.aivf.org/about/history.html.
32. Loosvelt, 2005, p. 38.
33. The figures for *Swingers* were taken from Levy, 1999, p. 279; the figure for *Spitfire Grill* was taken from Biskind, 2005, p. 228.
34. Dawes, Amy, 'DVDs Lead the Way to Recovery for Indie Film', in *Variety Supplement AFM 2003*, 17 February 2003, pp. 13 and 32.
35. The figures are taken from Klain, Stephen, 'Prods Over-Value US Art Mart: Classics Eye Upfront Stakes as Terms Stiffen', in *Variety*, 4 May 1983, p. 532.
36. There was also a fourth early classics division, established by Universal (Universal Classics), but it only distributed four films between 1982 and 1983, none of which was an American production.
37. Biskind, 2005, p. 16.
38. Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
39. 'Klain, Steven, 'Orion Adds a "Classic" Accent; Bernard, Gigliotti Set New Unit', in *Variety*, 8 April 1983, pp. 3 and 31.
40. Harris, Dana, 'Mickey Seems M'maxed Out: Weinsteins Prep for the Long Goodbye', in *Variety*, 11 October 2004, pp. 1 and 15.
41. See http://www.foxsearchlight.com/aboutus/.
42. McNary, Dave, 'Par Reinventing Classics', in *Variety*, 4 October 2004, p. 5.
43. See http://wip.warnerbros.com/.
44. http://www.timewarner.com/corp/newsroom/pr/0,20812,1060960,00.html.
45. See http://www.unitedartists.com and Carver, Benedict, 'UA Films to Make 'Things:' Garcia Helming Ensemble Cast', in *Variety-online*, posted on 10 August 1999 at http://www.variety.com/article/VR1117750215?categoryid=13&cs=1.
46. Goldsmith, Jill, 'How Did Sony Do it? Smart Moves Extend Its Global Reach', in *Variety*, 4 October 2004, p. 1 and 132.
47. Although Orion went bankrupt in 1992, its classics division under a different management released a few more films in the next five years (including *Trees Lounge* (Buscemi, 1996) until the company was sold to MGM.
48. Araki is quoted in Chang, 1994, p. 53.
49. For a discussion of the debate over whether contemporary American independent cinema is a training ground for talent, see Levy, 1999, p. 506; Biskind, 2005, p. 470.
50. Bernard was quoted in Harris, Dana, 'H'wood Renews Niche Pitch: Studios Add Fresh Spin as They Rev Up 'Art' Divisions', in *Variety*, 7 April 2003, pp. 1 and 54.
51. Brodesser, Claude, 'Fox: A Brighter Searchlight', in *Variety*, 7 April 2003, p. 55.

52. Rooney, David, 'Niche Biz Comes into Focus: U Specialty Label Marries Taste with Overseas Savvy', in *Variety*, 2 August 2004, pp. 8 and 15.
53. *Variety*, 7 April 2003, pp. 1 and 54.
54. *Variety*, 7 April 2003, pp. 1 and 54.
55. *Variety*, 7 April 2003, p. 55.
56. Mohr, Ian, 'Too Big for Their Niche: Specialty Arms Are Angst-ridden as Studios Shake Up Biz Plans', in *Variety*, 21 March 2005, pp. 1 and 41.
57. 2002 was a particularly good year for Fox Searchlight and Focus Features in particular, whose films grossed $127 and $70 million respectively. DiOrio, Carl 'Bowling for Breakout Niche Pix: Year-end Platform Releases Could Hit Boffo B.O', in *Variety*, 18 November 2002, p. 9.
58. King, 2005, p. 2.
59. Arnold Messer, interview with the author, 15 June 2004, Los Angeles, CA; Medavoy, interview with the author, 15 June 2004, Los Angeles, CA.
60. Levy, 1999, p. 3.
61. Levy, 1999, p. 6.
62. Biskind, 2005, p. 1.
63. Rich's article 'New Queer Cinema' originally appeared in *The Village Voice* and was reprinted in *Sight and Sound*, September 1992, pp. 30–4.
64. Pidduck, 2003, p. 279.
65. Allen, 2003, p. 154.
66. Arroyo, 1993, p. 93.
67. Arroyo, 1993, p. 93.
68. The term homo pomo was coined by B. Ruby Rich in her 1992 article.
69. Pidduck, 2003, p. 278.
70. Levy, 1999, p. 415.
71. Schamus, 2002, p. 255.
72. Schamus, 2002, p. 253.

EPILOGUE
FROM INDEPENDENT TO 'SPECIALTY' CINEMA

Throughout the decades of the twentieth century the discourse of American independent cinema has expanded and contracted to include a wide variety of production and distribution practices, a diverse array of aesthetic strategies and an immense range of films: from the top-rank films distributed mainly by United Artists in the 1920s, 1930s and 1940s to the Poverty Row quickies; from the high-budget independent films of the hyphenate filmmakers of the 1950s and 1960s to the cheaply produced youth-oriented genre films of the same period; from the New Hollywood films of the 1970s to the exploitation fare of companies like AIP and Crown; from the new political filmmaking of the late 1970s to the mini-majors and major independents of the 1980s to the outburst of low-budget filmmaking in the 1990s and 2000s, which arguably reached its peak with the release of *Tarnation* (Caouette, 2004), the Sundance sensation of 2004, which allegedly cost just $218 to produce.

Despite the existence of commercial independent filmmaking throughout the history of American cinema, it was only in recent years (the post-1980 period) when this type of cinema was widely perceived as an alternative proposal. This was mainly because from the late 1970s onwards mainstream American cinema started placing particular emphasis on the production and distribution of franchise films with great potential for further reiteration in the ancillary markets and on star-driven genre films that were guaranteed to deliver particular audience demographics. Hollywood's shift towards these types of films gradually became so noticeable that the low-budget films of John Sayles, Jim Jarmusch and Spike Lee in the 1980s were perceived by audiences as real alternatives to the commercial Hollywood fare, while the origins of most of the films outside the

majors led film critics and industry practitioners alike to employ the term independent to describe them. Unlike the mindless, crass commercialism and harmless entertainment of the majors' blockbusters, independent films were seen as examples of cinematic art that dealt with real issues and refused to compromise aesthetically, thematically and ideologically in exchange for a higher box office take.

As the majors' emphasis on blockbuster films accelerated in the 1990s, so did the emergence and establishment of this distinct, (relatively) low-budget form of filmmaking. Supported by an increasingly expansive institutional apparatus, audiences became progressively more aware of independent films to the extent that some of these films became great commercial successes and demonstrated that low-budget, edgier, offbeat and quirky pictures were also in a position to find a large enough audience to return substantial profits to the producers and distributors involved. Even though from the mid-1990s onwards an increasing number of these films originated in the majors' classics divisions, the momentum independent cinema had built up since the late-1980s did not cease to exist. For certain audiences, American independent cinema was a distinct-from-Hollywood category of filmmaking and was perceived as an attraction in itself. The label independent became a signifier of prestige and status for a large number of films that lacked any traditional commercial elements. In this respect, 'independent cinema' became an extremely important industrial category, often the only way of marketing esoteric or idiosyncratic films to an increasingly large audience.

In the 2000s, however, this situation has changed dramatically. The sheer volume of films that might fall under the rubric of independent filmmaking has reached such high levels that the label has lost its marketing power (not to mention its meaning). According to *Variety*, advertising a film as an indie production in today's marketplace is as 'current as Tarantinoesque'. 'After a decade of inflated expectations met with erratic B.O. returns,' the trade publication continues, '"indie" has lost much of its rugged appeal. It's become shorthand for movies that are small in concept, weren't produced with the bottom line in mind and were released by companies that are going out of business.'[1] In other words, the prestige and status associated with the label in the previous decade has suddenly disappeared.

At the same time, the late 1990s and early 2000s saw a number of non-American films breaking box office records in the United States: *Life is*

Beautiful (Benigni, 1999; $57.5 million), *Crouching Tiger, Hidden Dragon* (Ang Lee, 2000; $128 million), *Amélie* (Jeunet, 2001; $33 million), *Hero* (Yimou Zhang, 2004; $53.6 million), *Kung Fu Hustle* (Chow, 2004; $18 million) and *The Motorcycle Diaries* (Salles, 2004; $18 million). The success of the above films and of hundreds of others that have grossed less than $10 million has made European and Asian cinema in particular another significant commercial alternative to mainstream Hollywood, in a way that the art-house cinema of the 1960s and 1970s never was. This is particularly evident in the fact that all the above titles were distributed theatrically by major independents like Miramax (*Life is Beautiful*, *Amélie* and *Hero*) and classics divisions of the majors like Sony Pictures Classics (*Crouching Tiger, Hidden Dragon* and *Kung Fu Hustle*) and Focus Features (*The Motorcycle Diaries*), while independent distributors released less successful titles such as *Y Tu mamá También* (Cuarón, 2001; $13.6 million; IFC Films).[2]

Although the release of non-American films by classics divisions and independent distribution companies is certainly no surprise as both types of distributors have been releasing art-films from inception, the staggering commercial success of these films in recent years has forced these companies to develop a similar institutional framework for their support as the one developed for the American films. Given the small size of the majority of these companies and the instability of the market, expansion was not an option. As a result, a large part of the industrial infrastructure and the resources used to support almost exclusively American low-budget filmmaking in the 1990s has now shifted to support European and Asian cinema in order to ensure the full exploitation of such imported films in the United States.

With non-American films demanding equal attention alongside the American ones from major independents, classics divisions and independent distributors, the discourse of American independent cinema has once again expanded to accommodate recent developments. As a result, industry analysts and practitioners have started dropping the term independent, opting instead for the more inclusive 'niche' or 'specialty' labels. As *Variety* put it pragmatically, 'in a product-saturated marketplace, you don't sell tickets on a director's *oeuvre* or a stellar review in the *New York Times*. These days, ya gotta have a niche . . . 'niche' is a nice way of saying 'anything we can sell.'[3] And as it has become increasingly difficult to sustain the use of the term independent, the term 'specialty' has also been

utilised increasingly. Another *Variety* editorial explains the reason: 'while studios often label their specialty division as "indies," they are exerting more control over them . . . And history has shown that the niches that flourish best, like Sony Classics and Focus, are the ones with the least meddling from the parent.'[4]

Although this shift in the discourse of American independent cinema seems to suggest that independent filmmaking does not exist anymore, this is far removed from the truth. The label might have changed (or be in the process of changing), but the type of film it signifies continues to thrive and represent the most likely source of original and challenging material in American cinema. The difference is that this type of film is now accompanied by, and competes against, other such films originating outside the United States.

Notes

1. Harris, Dana (2003), 'H'wood renews niche pitch: Studios add fresh spin as they rev up 'art' divisions', in *Variety*, 7 April 2003, pp. 1 and 54.
2. The figures are taken from the Internet Movie Database (http://www.imdb.com).
3. *Variety*, 7 April 2003, pp. 1 and 54.
4. Mohr, Ian (2005), 'Too Big for their Niches: Specialty Arms Are Angst-Ridden as Studios Shake Up Biz Plans', in *Variety*, 21 March 2005, pp. 1 and 41.

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